PROSPECTUS

beadell resources limited

ACN 125 222 291

FOR THE OFFER OF 60,000,000 SHARES EACH AT $0.25 TO RAISE $15,000,000
THE OFFER IS NOT UNDERWRITTEN

JOINT LEAD MANAGERS TO THE OFFER:

TAYLOR COLLISON

Southern Cross Equities

IMPORTANT NOTICE This is an important document that should be read in its entirety. If you do not understand it, you should consult your professional advisor without delay. The Shares offered by this Prospectus should be considered speculative. Refer to Section 8 for details relating to investment risks.

Directors

Mike Donaldson - Non-Executive Chairman
Peter Bowler - Managing Director
Robert Watkins – Executive Director Exploration

Company Secretary

Greg Barrett

Registered and Corporate Office

2nd Floor, 16 Ord Street
West Perth WA 6005

Telephone: +61 8 9216 5800
Facsimile: +61 8 9216 5888

Internet: www.beadellresources.com.au

Share Registry

Computershare Investor Services Pty Ltd
Level 5
115 Grenfell Street
Adelaide SA 5000
Telephone: 1300 137 515
Telephone: +61 3 9415 4667
(from outside Australia)

Stock Exchange Listing

ASX Ltd
ASX Code: BDR

Solicitors to the Company

Hardy Bowen Lawyers

Investigating Accountant

Stanton Partners Corporate Pty Ltd

Auditor

KPMG

Independent Geologists

Australia
Peter F Robinson and Associates Pty Ltd

Brazil
Snowden Mining Industry Consultants Pty Ltd

Joint Lead Managers

Taylor Collison Ltd
Telephone: +61 2 9232 1688

Southern Cross Equities Ltd
Telephone: +61 2 9231 0880

Table of Contents

Investment Highlights

Beadell Resources Ltd (**Beadell** or **the Company**) is a gold focused exploration company with a portfolio of advanced and greenfields projects with assets in Australia and Brazil. The Company intends to raise $15,000,000 by issuing 60,000,000 Shares at an issue price of $0.25 each.

- The Board aims to grow the Company by utilising the skills and experience of its people;
- The exploration effort will be focused, deliberate and well-timed endeavouring to achieve prompt discovery and development of deposits;
- Strong experienced Board, executives and professional staff with a proven track record for rapid growth through exploration success and opportunistic acquisitions;
- Oxiana to become a cornerstone investor with 12,800,000 Shares as consideration for the Australian exploration assets;
- Talon Metals Corp to be issued approximately 2.3 million Shares as part consideration for the Tartaruga Project in Brazil;
- Tropicana East Project adjacent to the Tropicana gold discovery in Western Australia covering 2,910km^2 of sparsely explored ground;
- Potential gold development project at the Tartaruga Project in Brazil where over 6,000m of diamond drilling has delineated a target range of 2.0-3.2Mt at between 1.5g/t and 3.8g/t gold which will form the basis of an aggressive drilling program to convert and expand into an initial JORC resource. This target range is conceptual in nature, refer to 4.5.5 of the Independent Geologist Report in Section 4 prepared by Snowden;
- Drill ready targets at the Reedy Creek Project in Victoria to test depth and strike extensions of the Clonbinane dyke where historical drill results include 8m @ 7.0g/t gold from 9m depth, 21m @ 4.8g/t gold from 9m depth and 15m @ 4.1g/t gold from 25m depth. The Reedy Creek Project is located 70km south-east of the Fosterville gold mine;
- Iron Oxide Copper Gold targets at the Lake Mackay Project and West Musgrave Project in central Western Australia. At the West Musgrave Project a large undrilled soil anomaly over 1,200m long by 400m wide with a maximum of 250ppb gold is located on the edge of the Palgrave Cauldron;
- Uranium targets for paleochannel and redox controlled roll front style mineralisation including the Minigwal Prospect proximal to the large undeveloped Mulga Rocks uranium deposit and the West Musgrave Project in Western Australia.

Investors should be aware that there are risks associated with this investment. Refer to Section 8 for risk factors.

Indicative Timetable of the Offer

Lodgement of Prospectus with ASIC	10 August 2007
Expected Opening Date [1]	17 August 2007
Expected Closing Date [2]	7 September 2007
Expected Allotment Date [3]	17 September 2007
Proposed date of trading of Shares on ASX to commence[3]	26 September 2007

Notes

1 Subject to the Exposure Period. Any extension of the Exposure Period will impact on the Opening Date.

2 Investors are encouraged to submit their Applications as early as possible. The Directors reserve the right to close the Offer earlier or later than as indicated above without prior notice to investors.

3 Anticipated dates only. The date the Shares are expected to be issued and/or commence trading on ASX may vary with any change to the Closing Date.

Chairman's Letter

Dear Investor,

On behalf of the Directors of Beadell, I am pleased to present this Prospectus for the Company's initial public offer and invite you to become a Shareholder in the Company.

The purpose of the Offer is to raise $15,000,000 by the issue of 60,000,000 Shares at $0.25 per Share to fund our gold exploration and potential development projects.

The Company was incorporated in May 2007 to acquire mineral interests throughout Australia and Brazil, with an emphasis on gold. In Australia, we have acquired tenements from a subsidiary of Oxiana that was formerly part of Agincourt, in return for 12,800,000 Shares. The Tartaruga Project in Brazil contains gold exploration assets which has the potential for early development.

The Company has assembled a highly experienced team to manage Beadell and steer it towards rapid growth by means of successful exploration and expansion programs. Beadell is managed by three of the former members of the executive team from Agincourt which was recently taken over by Oxiana. Management is ably supported by geologists who have already commenced employment with the Company. This team has the proven technical, operational and financial skills in relation to the discovery, exploration and development of mineral deposits that will elevate Beadell as an emerging ASX-listed gold company.

Beadell's exploration tenements form a portfolio from advanced drill-ready targets at the Tartaruga Project in Northern Brazil and Reedy Creek Project in Victoria, to greenfields exploration projects in the remote central eastern parts of Western Australia.

There are five key exploration projects in Australia with tenements covering over 7,000 square kilometres across three states. There is an emphasis on the eastern region of Western Australia where access, until very recently, has been limited. The prospective Tropicana East Project in Western Australia, located adjacent to the Tropicana gold deposit recently discovered by Anglogold Ashanti Australia Ltd in joint venture with Independence Group NL, will be assessed as a priority. This virgin discovery 350 kilometres east of Kalgoorlie, in a previously sparsely explored region over 600 kilometres in length and has the potential to develop into a new gold belt with more discoveries over the next few years.

In Brazil, the Tartaruga Project covers a 96 square kilometres area which is located in an accessible part of Tartarugalzhino, 160 kilometres north of the city of Macapa, capital of the State of Amapa, which is to the north of the Amazon River. This project offers excellent gold development upside for Beadell as it has numerous drill-ready targets, with over 6,000 metres of diamond drilling already completed, and a defined target range from 2.0 to 3.2 million tonnes at gold grades between 1.5 and 3.8g/t gold. This target range is conceptual in nature; refer to 4.5.5 of the Independent Geologist Report in Section 4 prepared by Snowden.

Exploration of the projects will be focussed over the next few years to rapidly evaluate the resource and development potential at the advanced projects, while systematically exploring the greenfields projects for a major new discovery in Australia.

The name Beadell has been chosen in line with the Company's focus on gold exploration in the remote far east of Western Australia. Len Beadell has been described as "the last Australian explorer" because of his many years of work surveying, mapping and road building in a vast portion of the Australian outback.

Before you make your investment decision, I ask that you read this Prospectus carefully in its entirety including the risk factors in Section 8 and seek professional advice if required.

Once again, on behalf of the Directors, I invite you to subscribe for Shares in the Company and join us in what we consider to be an exciting time for Beadell and its Shareholders.

Yours faithfully,

DR MIKE DONALDSON
Chairman

Important Notices and Statements

General

This Prospectus is dated and was lodged with ASIC on 10 August 2007. Neither ASIC nor ASX take responsibility for the contents of this Prospectus.

No Shares will be issued or granted on the basis of this Prospectus after the expiry date which will be not later than 13 months after the date of this Prospectus.

The Prospectus will generally be made available in electronic form during the Exposure Period by being posted on the Company's website at www.beadellresources.com.au. Persons having received a copy of this Prospectus in its electronic form may obtain an additional paper copy of this Prospectus and the Application Form (free of charge) from the Company's principal place of business during the Offer Period by contacting the Company. The Offer constituted by this Prospectus in electronic form is only available to persons receiving an electronic version of this Prospectus and Application Form within Australia.

Applications for Shares will only be accepted on the Application Form accompanying this Prospectus or in its paper copy form as downloaded in its entirety from www.beadellresources.com.au. The Corporations Act prohibits any person from passing on to another person the Application Form unless it is accompanied by or attached to a complete and unaltered copy of this Prospectus.

No person is authorised to give any information or to make any representation in connection with the Offer other than as is contained in this Prospectus. Any information or representation not contained in the Prospectus should not be relied on as having been made or authorised by the Company or its Directors in connection with the Offer.

The Company is not admitted to the Official List. The Company will make application within 7 days of the date of this Prospectus for admission of the Company and Official Quotation of the Shares to the Official List.

Foreign Investors

No offer is made by this Prospectus in any jurisdiction outside Australia. The distribution of this Prospectus in jurisdictions outside Australia may be restricted by law and persons who come into possession of this Prospectus should seek advice on and observe any such restrictions. Any failure to comply with such restrictions may constitute a violation of applicable securities laws. This Prospectus does not constitute an offer of Shares in any jurisdiction where it would be unlawful to issue this Prospectus.

Exposure Period

Applications for Shares under this Prospectus will not be processed until after expiry of the Exposure Period pursuant to Chapter 6D of the Corporations Act. No preference will be conferred on Applications received during the Exposure Period. All Applications received during the Exposure Period will be treated as if they were simultaneously received on the date on which the Offer opens. If the Exposure Period is extended by ASIC, Applications will not be processed until after expiry of the extended Exposure Period.

The purpose of the Exposure Period is to enable examination of this Prospectus by market participants prior to the acceptance of Applications and the raising of funds. That examination may result in the identification of deficiencies in the Prospectus and, in those circumstances any Application that has been received may need to be dealt with in accordance with section 724 of the Corporations Act.

Speculative Investment

The Shares offered under this Prospectus are considered speculative. There is no guarantee that the Shares offered by this Prospectus will make a return on the capital invested, that dividends will be paid on the Shares or that there will be an increase in the value of the Shares in the future.

Potential investors should carefully consider whether the Shares offered by this Prospectus are an appropriate investment for them in light of their personal circumstances, including their financial and taxation position. Refer to Section 8 for details relating to the investment risks.

Using this Prospectus

Persons wishing to subscribe for Shares offered by this Prospectus should read this Prospectus in its entirety in order to make an informed assessment of the assets and liabilities, financial position and performance, profits and losses and prospects of the Company and the rights and liabilities attaching to the Shares offered pursuant to this Prospectus. If persons considering subscribing for the Shares offered by this Prospectus have any questions, they should consult their stockbroker, solicitors, accountants or professional advisers for advice.

Investors wishing to subscribe for Shares should complete the relevant Application Form included in, or accompanying, this Prospectus as applicable.

1. Board, Management and Corporate Governance

1.1 Directors Profiles

The names and details of the Directors in office at the date of this Prospectus are:

Mike Donaldson

Non-Executive Chairman

Age: 62

Qualifications: BA (Hons), PhD

Dr Donaldson has been general manager mapping at the Geological Survey of Western Australia for the past 6 years. Dr Donaldson's industry experience includes 15 years in nickel, gold, base metals and diamonds exploration and research with Western Mining Corporation, exploration manager for Coolgardie Gold NL and General Manager Exploration for Sons of Gwalia Ltd and Ashton Mining Ltd. He is also a director of Kimberley Exploration Pty Ltd.

Peter Bowler

Managing Director

Age: 45

Qualifications: Dip Farm Management (Hons)

Mr Bowler has most recently been the managing director of Agincourt and oversaw its rapid growth. He was also a founding director of Nova Energy Ltd. As managing director of Agincourt, he oversaw the takeover by Oxiana in April 2007. Mr Bowler was previously the director of operations for Agincourt and responsible for all facets of the Wiluna gold operation including contract negotiations, overseeing feasibility studies, employee health and welfare, completion of sensitive heritage clearances with local indigenous communities, environmental management and business development.

Robert Watkins

Executive Director Exploration

Age: 39

Qualifications: BSc (Hons) MAusIMM

Mr Watkins is a member of the Australian Institute of Mining and Metallurgy. Mr Watkins is the former exploration manager for Agincourt with over 13 years exploration experience in Australia and Africa with Placer Dome Asia Pacific Ltd and Delta Gold Ltd. He has a recent track record of exploration success in Indonesia and in Brazil.

1.2 Company Secretary Profile

Greg Barrett

Company Secretary

Age: 36

Qualifications: CA, FFin, B.Comm

Mr Barrett is a member of the Institute of Chartered Accountants and a Fellow of the Financial Services Institute of Australasia. He has over 15 years management, corporate advisory, finance and accounting experience working for several listed and unlisted public companies for which he has held the role as company secretary for over ten years (currently company secretary of Nova Energy Ltd). He is the former finance executive and Company Secretary for Agincourt and had previously worked for KPMG before specialising in the mining industry.

1.3 Corporate Governance

The primary responsibility of the Board is to represent and advance Shareholders' interests and to protect the interests of stakeholders. To fulfil this role the Board is responsible for the overall corporate governance of the Company including its strategic direction, establishing goals for management and monitoring the achievement of these goals.

The responsibilities of the Board include:

(a) Protection and enhancement of shareholder value.

(b) Formulation, review and approval of the objectives and strategic direction of the Company.

(c) Monitoring the financial performance of the Company by reviewing and approving budgets and monitoring results.

(d) Approving all significant business transactions including acquisitions, divestments and capital expenditure.

(e) Ensuring that adequate internal control systems and procedures exist and that compliance with these systems and procedures is maintained.

(f) The identification of significant business risks and ensuring that such risks are adequately managed.

(g) The review of performance and remuneration of executive directors and key staff.

(h) The establishment and maintenance of appropriate ethical standards.

(i) Evaluating and, where appropriate, adopting with or without modification the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations.

Details of the composition of the Board are set out in Section 1.1.

The Board recognises the need for the Company to operate with the highest standards of behaviour and accountability.

The Company seeks to follow the best practice recommendations for listed companies as outlined in the ASX Corporate Governance Council's Principles of Good Corporate Governance and Best Practice Recommendations where appropriate for its size and the complexity of its operations. The Company presently considers that its present size and scope of activities do not justify the establishment of any special or separate board committees, including audit, remuneration or nomination committees, preferring at this stage to manage the Company through the full board of Directors.

None of the members of the board are considered independent in terms of the ASX Corporate Governance Council's definition of an independent director. However the board believes that the Directors are able and do bring quality and independent judgement to all relevant issues falling within the scope of their roles as Directors.

As the Company's activities increase in size, scope and/or nature the Company's corporate governance principles will be reviewed by the Board and amended as appropriate.

2. Details of Offer

2.1 The Offer

This Prospectus invites investors to apply for a total of up to 60,000,000 Shares at an issue price of $0.25 to raise $15,000,000.

The Shares issued under this Prospectus will be fully paid and rank equally with other Shares on issue.

2.2 Capital Structure

The expected capital structure of the Company at the completion of the Offer is as follows:

	SHARES	OPTIONS[3]
Existing Shares/Options	18,350,003	3,000,000
Shares issued under this Prospectus	60,000,000	
Shares issued for acquisition of the Australian exploration projects [1]	12,800,000	
Shares issued for acquisition of the Brazilian exploration project [2]	2,298,851	
Total	**93,448,854**	**3,000,000**

(1) Refer Section 7.1 for details.

(2) Refer Section 7.2 for details.

(3) Comprising 1,500,000 Options exercisable at $0.35 by 30 June 2012 and 1,500,000 Options exercisable at $0.50 by 30 June 2012.

2.3 Objectives of the Offer and Use of Funds

Funds raised from the Offer will be used:

(a) to pay the cash consideration to Talon Metals Corp for the Tartaruga Project;

(b) for the exploration and development of the Company's projects;

(c) to pay the costs of the Offer; and

(d) to fund working capital.

Funds raised from the Offer are proposed to be applied as follows:

DESCRIPTION	OFFER ($)
Pre Offer cash available	120,000
Funds raised from the Offer	15,000,000
Total Funds available	**15,120,000**
Cash consideration - Tartaruga Project	114,942
Project exploration (refer table Section 3.4)	8,558,000
Expenses of the Offer	915,000
Repayment of Loan	99,000
Administration	1,200,000
General working capital	4,233,058
Total Funds applied	**15,120,000**

Actual expenditure may differ significantly from the above estimates due to a number of factors including market conditions, the development of new opportunities, the results obtained from exploration and other factors (including the risk factors outlined in Section 8).

The Directors believe that the Company will have sufficient working capital to meet its business obligations, as set out in the above table, upon completion of the Offer.

To capitalise on future opportunities and, depending on the success of its activities, the Company may require further debt or equity fundraisings.

2.4 Forecasts

The Company is a mineral exploration company. Given the speculative nature of exploration, there are significant uncertainties associated with forecasting future revenues from the Company's proposed activities.

The Directors believe that due to these inherent uncertainties, it is not possible to include a reliable forecast in this Prospectus.

2.5 Minimum Application under Offer

Applications under the Offer must be for a minimum of 8,000 Shares ($2,000) and thereafter in multiples of 2,000 Shares ($500). Applications to subscribe for Shares under the Offer will only be accepted on the Application Form attached to this Prospectus.

2.6 Minimum Subscription

The minimum and maximum subscription for the Offer is $15,000,000.

None of the Shares offered by this Prospectus will be issued if the Offer is not fully subscribed. Should the Offer not be fully subscribed within four months from the date of this Prospectus, the Company will either repay the Application Monies to Applicants (without interest) or issue a supplementary prospectus or replacement prospectus and allow Applicants one month to withdraw their Applications and Application Monies will be repaid (without interest).

2.7 Joint Lead Managers

The Offer is not underwritten.

Taylor Collison and Southern Cross Equities have agreed to act as joint lead managers to the Offer on a best endeavours basis. They will be paid a management fee of 1% (plus GST) of the funds raised plus a distribution fee of 4% (plus GST) of the funds raised less $60,000 (being the amount of fee that would have been payable on Shares taken up by the Beadell management team).

A handling fee of 1% (plus GST) of the amount applied for under this Prospectus will be paid by the Joint Lead Managers to licensed securities dealers that lodge stamped applications that are subsequently accepted by the Directors of the Company.

2.8 How to apply

If you wish to invest in the Company complete the Application Form attached to this Prospectus. Completed Application Forms should be returned, together with the Application Monies in full, prior to 5.00pm (CST) on the Closing Date to the Company's Share Registry, Computershare Investor Services Pty Ltd. Alternatively complete a paper copy of the electronic Application Form which accompanies the electronic version of the Prospectus which can be found and downloaded from www.beadellresources.com.au.

Completed Application Forms and Application Monies should be returned to the Company's Share Registry as follows:

By Post to	**Or Delivered to**
Computershare Investor Services Pty Ltd GPO Box 1903 Adelaide SA 5001	Computershare Investor Services Pty Ltd Level 5 115 Grenfell Street Adelaide SA 5000

Refer to the instructions on the back of the Application Form when completing your Application. Cheques must be made payable to 'Beadell Resources Ltd – Subscription Account' and crossed 'Not Negotiable'. All cheques must be in Australian currency.

The Offer may be closed at an earlier date and time at the discretion of the Directors, without prior notice. Applicants are therefore encouraged to submit their Application Forms as early as possible. However, the Company reserves the right to extend the Offer or accept late Applications.

2.9 Official Quotation

Application for admission to the Official List will be made within 7 days of the date of this Prospectus.

The fact that ASX may admit the Company to the Official List is not taken in any way as an indication of the merits of the Company or the Shares offered by this Prospectus. ASX takes no responsibility for the contents of this Prospectus.

2.10 Allotment

Application Monies will be held in trust for Applicants until allotment of the Shares. Any interest that accrues will be retained by the Company. No allotment of Shares under this Prospectus will occur until the Minimum Subscription is reached.

The Company reserves the right to reject any Application or to issue a lesser number of Shares than those applied for. Where the number of Shares issued is less than the number applied for, surplus Application Monies will be refunded (without interest) as soon as reasonably practicable after the Closing Date.

Shares under the Offer are expected to be allotted, and shareholding statements dispatched, on or before the date of trading of Shares on ASX is to commence.

If ASX does not grant permission for Official Quotation of the Shares within three months after the date of this Prospectus (or within such longer period as may be permitted by ASIC) none of the Shares offered by this Prospectus will be allotted and issued. If no allotment and issue is made, all Application Monies will be refunded to Applicants (without interest).

2.11 CHESS

The Company will apply to participate in the Clearing House Electronic Subregister System (**CHESS**), operated by ASX Settlement and Transfer Corporation Pty Ltd (**ASTC**) (a wholly owned subsidiary of ASX), in accordance with the Listing Rules and ASTC Operating Rules. On admission to CHESS, the Company will operate an electronic issuer-sponsored sub-register and an electronic CHESS sub-register. The two sub-registers together will make up the Company's register of Shareholders.

The Company will not issue certificates to Shareholders. Instead, as soon as is practicable after allotment, successful Applicants will receive a holding statement which sets out the number of Shares issued.

A holding statement will also provide details of a security holder's Holder Identification Number (**HIN**) (in the case of a holding on the CHESS sub-register) or Shareholder Reference Number (**SRN**) (in the case of a holding on the issuer sponsored sub-register).

Following distribution of these initial holding statements, an updated holding statement will only be provided at the end of any month during which changes occur to the number of Shares held. Shareholders may also request statements at any other time (although the Company may charge an administration fee).

2.12 Dividend policy

The extent, timing and payment of any dividends in the future will be determined by the Directors based on a number of factors, including future earnings and the financial performance and position of the Company.

At the date of issue of this Prospectus, the Company does not intend to declare or pay any dividends in the immediately foreseeable future.

2.13 Risk Factors of the Investment

Prospective investors should be aware that an investment in the Company should be considered speculative and involves a number of risks inherent with mineral exploration. Section 8 contains details of key risk factors which investors should be aware of. It is recommended that potential investors consider these risks carefully before deciding whether to invest in the Company.

This Prospectus should be read in its entirety as it provides information for potential investors to decide whether to invest in the Company. If you have any questions about the desirability of, or procedure for, investing in the Company please contact your stockbroker, accountant or independent adviser.

2.14 Overseas Applicants

No action has been taken to register or qualify the Shares, or the Offer, or otherwise to permit the public offering of the Shares, in any jurisdiction outside Australia.

The distribution of this Prospectus within jurisdictions outside Australia may be restricted by law and persons into whose possession this Prospectus comes should inform themselves about and observe any such restrictions. Any failure to comply with these restrictions may constitute a violation of those laws.

The Prospectus does not constitute an offer of Shares in any jurisdiction where, or to any person to whom, it would be unlawful to issue this Prospectus.

It is the responsibility of any overseas Applicant to ensure compliance with all laws of any country relevant to his or her application. The return of a duly completed Application Form will be taken by the Company to constitute a representation and warranty that there has been no breach of such law and that all necessary approvals and consents have been obtained.

2.15 Restricted Shares

Chapter 9 of the Listing Rules prohibits holders of restricted securities from disposing of those securities or an interest in those securities or agreeing to dispose of those securities or an interest in those securities for the relevant restriction periods. The holder is also prohibited from granting a security interest over those securities.

None of the Securities issued pursuant to the Offer are expected to be restricted securities.

In accordance with the Listing Rules the Directors expect the ASX may classify some of the Shares and Options on issue at the date of this Prospectus as restricted securities.

2.16 Withdrawal

The Directors may at any time decide to withdraw this Prospectus and the Offer in which case the Company will return all Application Monies without interest within 28 days of giving notice of their withdrawal.

2.17 Enquiries

Enquiries relating to this Prospectus or requests for additional copies of this Prospectus should be directed to the Joint Lead Managers, Taylor Collison Ltd on (02) 9232 1688 or Southern Cross Equities Ltd on (02) 9231 0880 or the Company Secretary of Beadell Resources Ltd at Level 2, 16 Ord Street West Perth WA 6005 on (08) 9216 5800.

3. Company Project Overview

3.1 Background

Beadell is a gold focused exploration company with five key exploration projects in Australia (Figure 1) and the advanced Tartaruga Project in northern Brazil.

Together the projects form a portfolio of advanced 'drill ready' targets at the Tartaruga Project in Brazil and Reedy Creek Project in Victoria, and greenfields exploration projects, particularly the Tropicana East Project adjacent to a new emerging gold district in Western Australia.

Beadell has planned for an aggressive and strategically scheduled exploration program over the next two years to rapidly evaluate the resource and development potential at the advanced projects, while systematically exploring the greenfields projects for the next major new discovery in Australia.

Beadell has entered into the Tenement Sale Agreement with Oxiana to acquire the Australian Tenements and Mining Information. Oxiana has a right to earn-in to any Australian Tenement at its discretion and acquire a 51% interest in any Australian Tenement where an ore deposit containing 3,000,000 ounces of gold or 800,000 tonnes of copper or 200,000 tonnes of nickel is discovered. The Company has also given an indemnity in respect of a fatality at a tenement at the Reedy Creek Project which is capped at $400,000. Further details of the Tenement Sale Agreement are contained in Section 7.1 of this Prospectus.

Beadell through its 100% owned subsidiary Beadell Resources Mineração has entered into an agreement for the assignment of mining concession, title DNPM 851.439/80 together with the consent of the landholder (Mineral Rights) from Brazmin Ltda. The consideration for the Mineral Rights is US$100,000 in cash and the issue of approximately 2.3 million Shares. The Company will also make annual payments to the original title holder of US$100,000 until commercial production commences, at which time a 1.7% net smelter royalty becomes payable.

3.2 Australian Projects

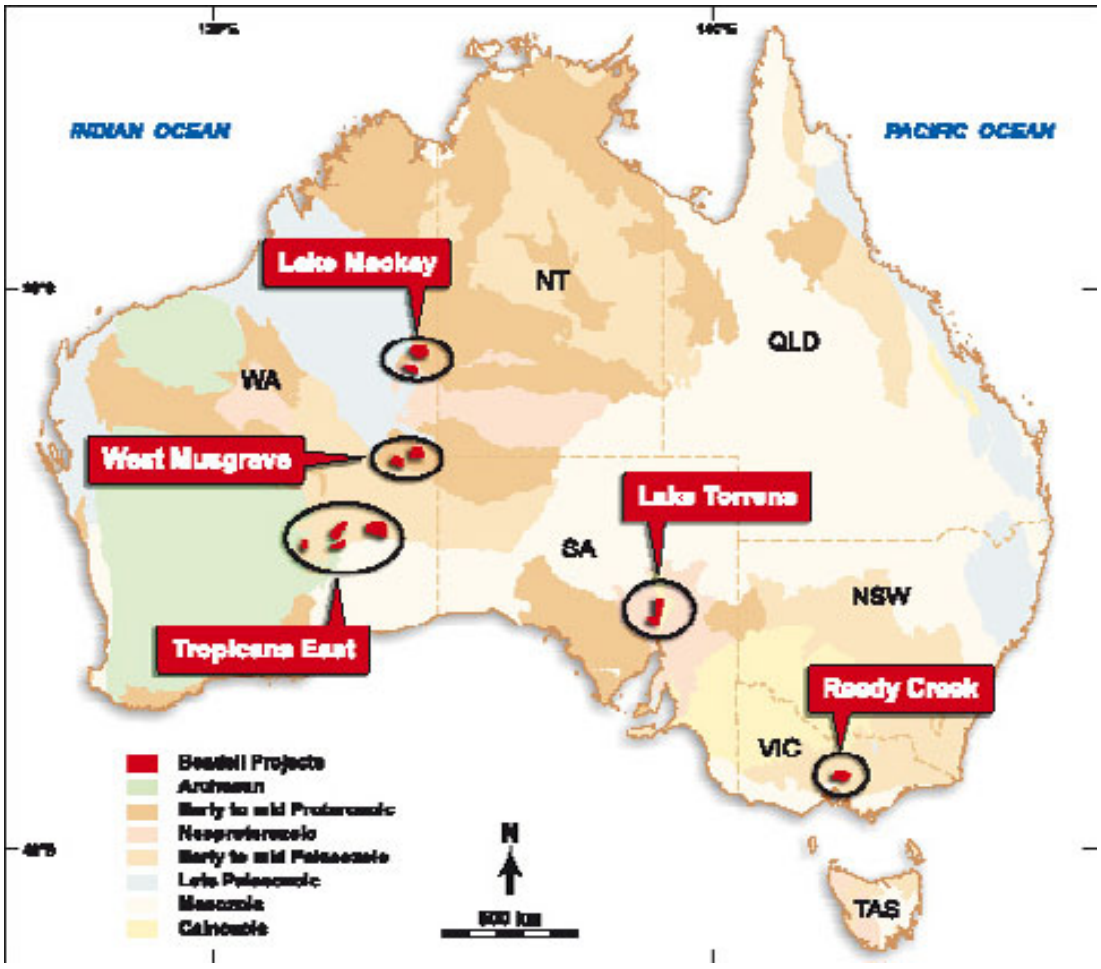


Figure 1: Beadell Resource Ltd Australian projects location plan

(a) Tropicana East Project – Western Australia

The Tropicana East Project, is located 350km north-east of Kalgoorlie in Western Australia comprising four prospects named Pleiades Lakes, Neale, Minigwal and Nullarbor covering 2,912km^2 of sparsely explored region in the vicinity of the new Tropicana gold discovery owned by Anglogold Ashanti Australia Ltd and Independence Group NL. The Tropicana deposit is located at the south eastern edge of the Yilgarn Craton (Figure 2) and the host rocks are interpreted to be reworked Archean rocks overprinted by the Albany Fraser Orogen and intruded by the Proterozoic granites .

Pleiades Lakes Prospect (EL39/1215) – 417km^2

The Pleiades Lakes Prospect is located only 20km east of the Tropicana deposit, in a faulted offset segment of complex magnetic gneissic stratigraphy (Figure 3) interpreted as Archean rocks overprinted by the Albany Fraser Orogen . Initial regolith mapping in the area has highlighted a complex surficial regolith dominated by aeolian and playa lake cover with limited areas of subcropping basement gneiss and dolerite.

A first pass magnetic lag soil sampling program on a 1000m by 500m grid over the south western portion of the tenement yielded broad low level gold anomalies up to 8.9ppb gold which will be followed up with infill soil sampling prior to first pass drilling. Two types of soil sampling were used at the Pleiades Lakes Prospect with the preferred method being a magnetic lag sample, however in areas where no lag sample was present a whole soil sample was taken.

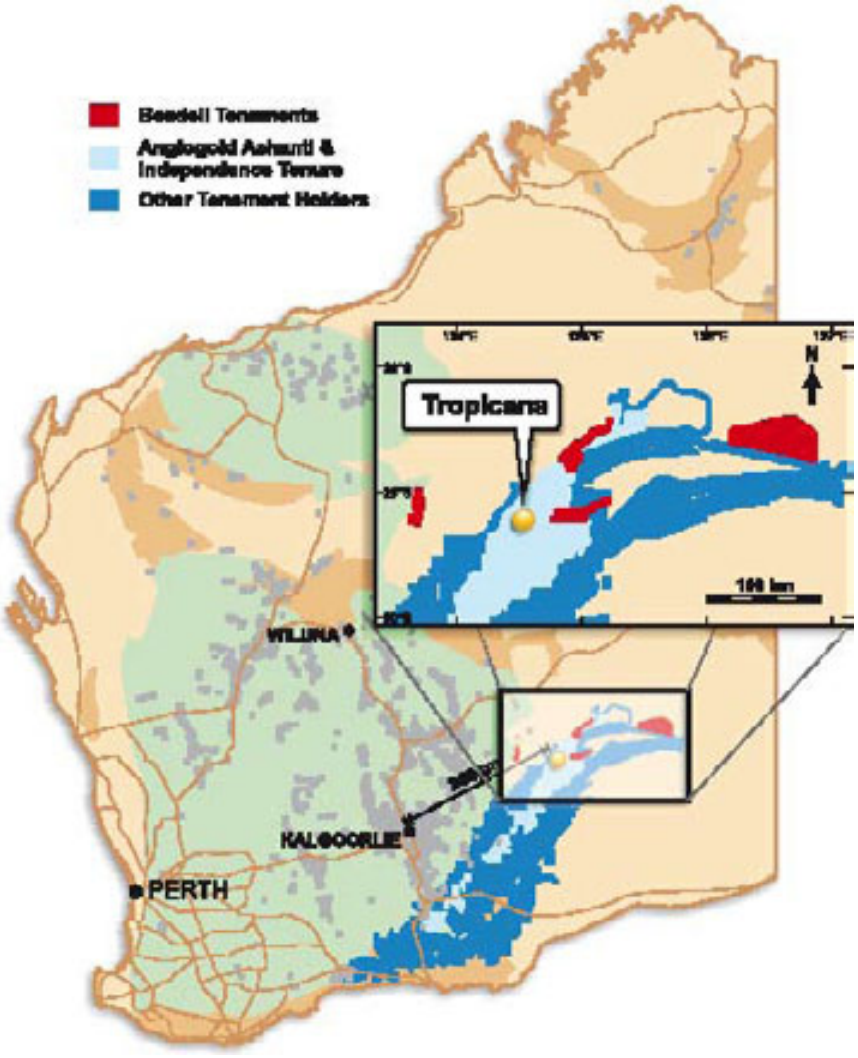


Figure 2: Tropicana East Project location plan

**The Tropicana deposit is not located in the Tropicana East Project.*

Neale Prospect (ELA38/1913) – 467 km^2

The tectonic and lithological environment at Tropicana extends directly north-east into the Neale Prospect. Only minor mineral sands exploration has been completed on the tenement revealing a cover sequence 20-30m deep with recorded bedrock lithologies of schists and granite. Limited interface sampling from mineral sands aircore drilling, totalling 30 samples yielded a maximum result of 0.02ppm gold.

Initial exploration by Beadell will involve analysis of historic drill samples for gold and first pass soil sampling, testing for subtle gold anomalies in the transported material or basement windows protruding through the cover sequence.

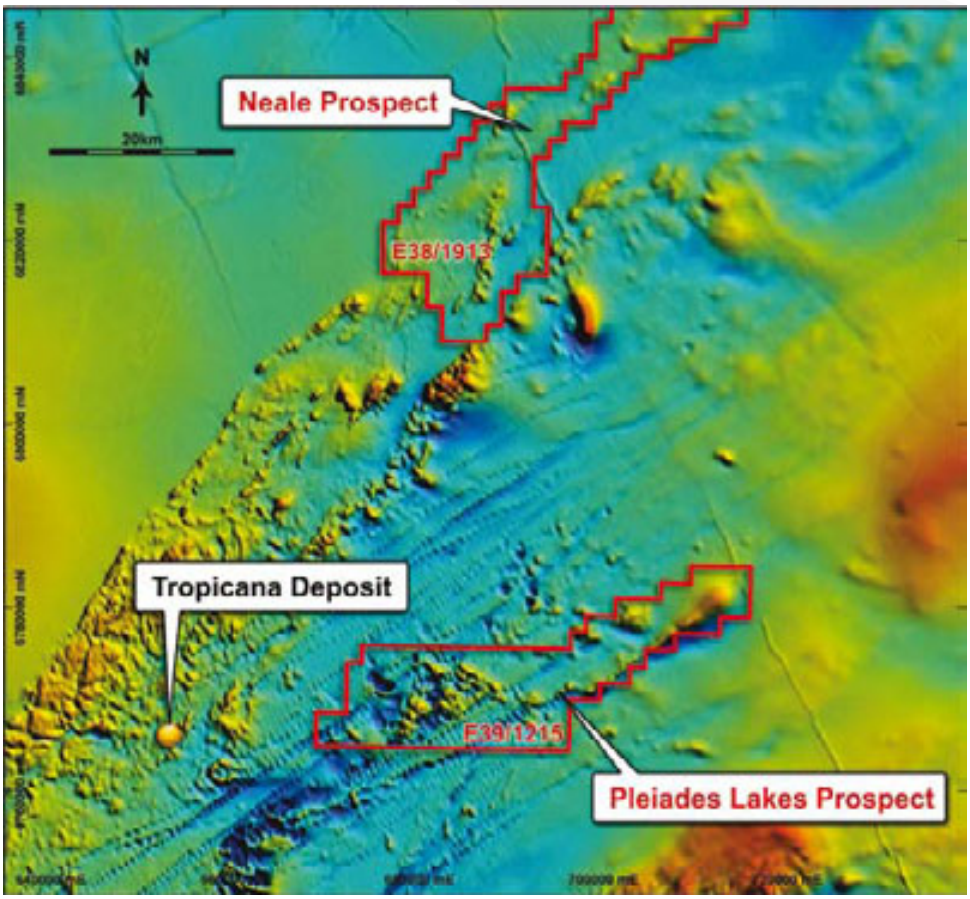


Figure 3: Tropicana East Project Total Magnetic Intensity Image with Beadell prospects – Neale and Pleiades Lakes.

**The Tropicana deposit is not located in the Tropicana East Project.*

Minigwal Prospect (EL39/1203) – 219 km^2

The Minigwal Prospect has potential for hosting Mulga Rock type uranium mineralisation. The Minigwal tenement may cover Eocene drainage channel sediments similar to the Mulga Rock uranium deposits 80km to the south.

Nullarbor Prospect (ELA69/2326-2328) – 1,810 km^2

The Nullarbor tenements are located in the Albany Fraser Province and are considered to have potential for orogenic type gold deposits but may also host IOCG type deposits similar to the adjoining Gawler Craton. Very little geological information is known about the crystalline basement rocks in this region due to the overlying Permian cover which is in excess of 50m thick. A large circular magnetite alteration system interpreted from the regional aeromagnetics forms the basis of this conceptual IOCG target.

A portion of the Nullarbor Prospect is located within a Class A nature reserve. Current State Government policy does not permit exploration within Class A nature reserves. See Section 6 for further details.

Exploration will involve a gravity survey followed by drill testing of any significant gravity anomalies.

(b) West Musgrave Project (BHPB Nickel West Alliance) – Western Australia

The West Musgrave Project is located 90km east of Warburton in the remote central eastern part of Western Australia (Figure 4) close to the border with South Australia and Northern Territory. The Musgrave Complex forms a large belt of Mesoproterozoic rocks stretching in an east west direction from the northern part of South Australia across into Western Australia.

The Letter Agreement between Agincourt Exploration and BHPB Nickel West which has been assigned to Beadell exists for two prospects, Handpump and Area 7, within the West Musgrave Complex whereby BHPB Nickel West have the right to buy back into the West Musgrave Project if a resource in excess of 4Moz of gold is discovered by Beadell. Further details of the BHPB rights are contained in Section 7.3. Beadell does not have any nickel rights to the West Musgrave Project.

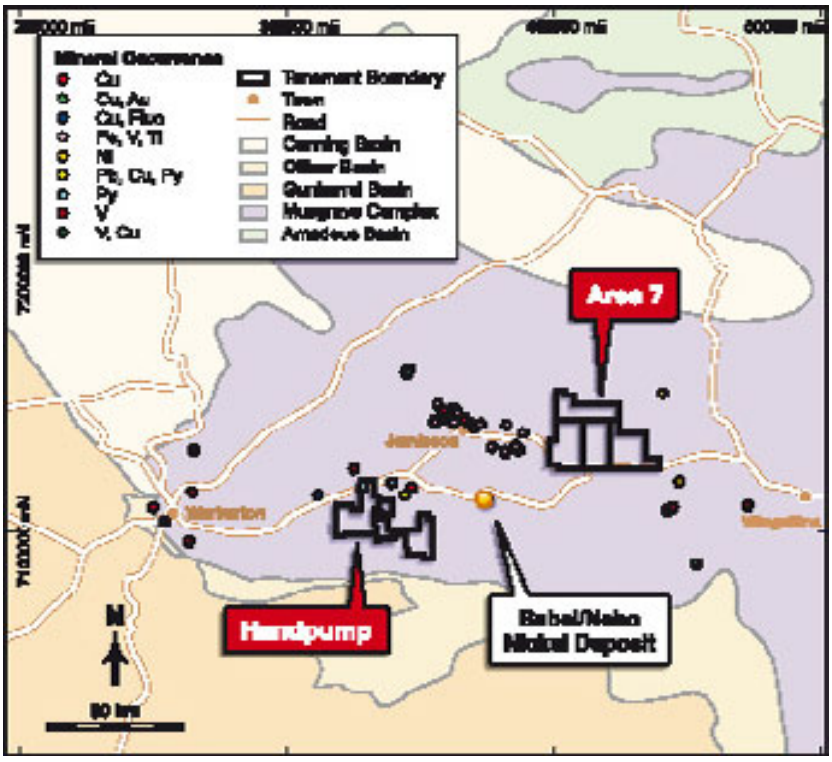


Figure 4: West Musgrave Project location plan

**The Babel/Nebo deposit is not located in the West Musgrave Project.*

Limited modern exploration has been completed in the region due to its remote location and complex land access issues with the traditional Aboriginal owners. The tenements of the West Musgrave Project are located on Aboriginal land on which native title has been determined to exist. Prior to conducting activities on this project entry permits will be required. In recent years access arrangements have been entered into and the discovery of the Babel and Nebo nickel sulphide deposit by WMC Resources Limited has led to a significant increase in exploration activity in the area.

Exploration targets at West Musgrave can be broadly classified as relating to either IOCG associated deposit models or caldera related vein/epithermal styles within the Bentley Supergroup and the underlying metamorphic and granitic core complex of the Musgrave Complex. Targets for conventional roll front style uranium deposits and surficial calcrete style deposits have also been identified within the West Musgrave Project area.

A large circular feature in aeromagnetics thought to be a major collapse feature known as the Palgrave Cauldron represents a target for copper and gold mineralisation. At the southern tip of the cauldron a large gold in soil anomaly was discovered by WMC Resources Limited and to date has not been tested with any form of drilling even though extensive hydrothermal volcanic brecciation and alteration has been identified in the area. The Handpump gold anomaly is the main target of the Beadell exploration activity in the West Musgrave Project.

Handpump Prospect (EL69/2066-67) – 432 km^2

The Handpump Prospect comprises a significant soil gold anomaly discovered by W MC Resources Limited. The soil anomaly is 1,200m long by 400m wide with a peak value of 250ppb gold, hosted in a thin veneer of sand cover which masks the underlying rocks (Figure 5). Encouragingly, a 300m wide hydrothermal quartz breccia in porphyritic felsic intrusive rocks is exposed in the hills east of the anomaly. The Handpump gold anomaly is yet to be tested with any form of drilling and Beadell plans to complete a significant first pass drilling program as soon as access agreements, clearances and entry permits are received.

Aeromagnetics and radiometrics also clearly show two distinct palaeochannels draining south through the Handpump tenements, from the Palgrave Cauldron felsic volcanics and granites. These channels present excellent targets for conventional roll front style uranium deposits and surficial calcrete style deposits.

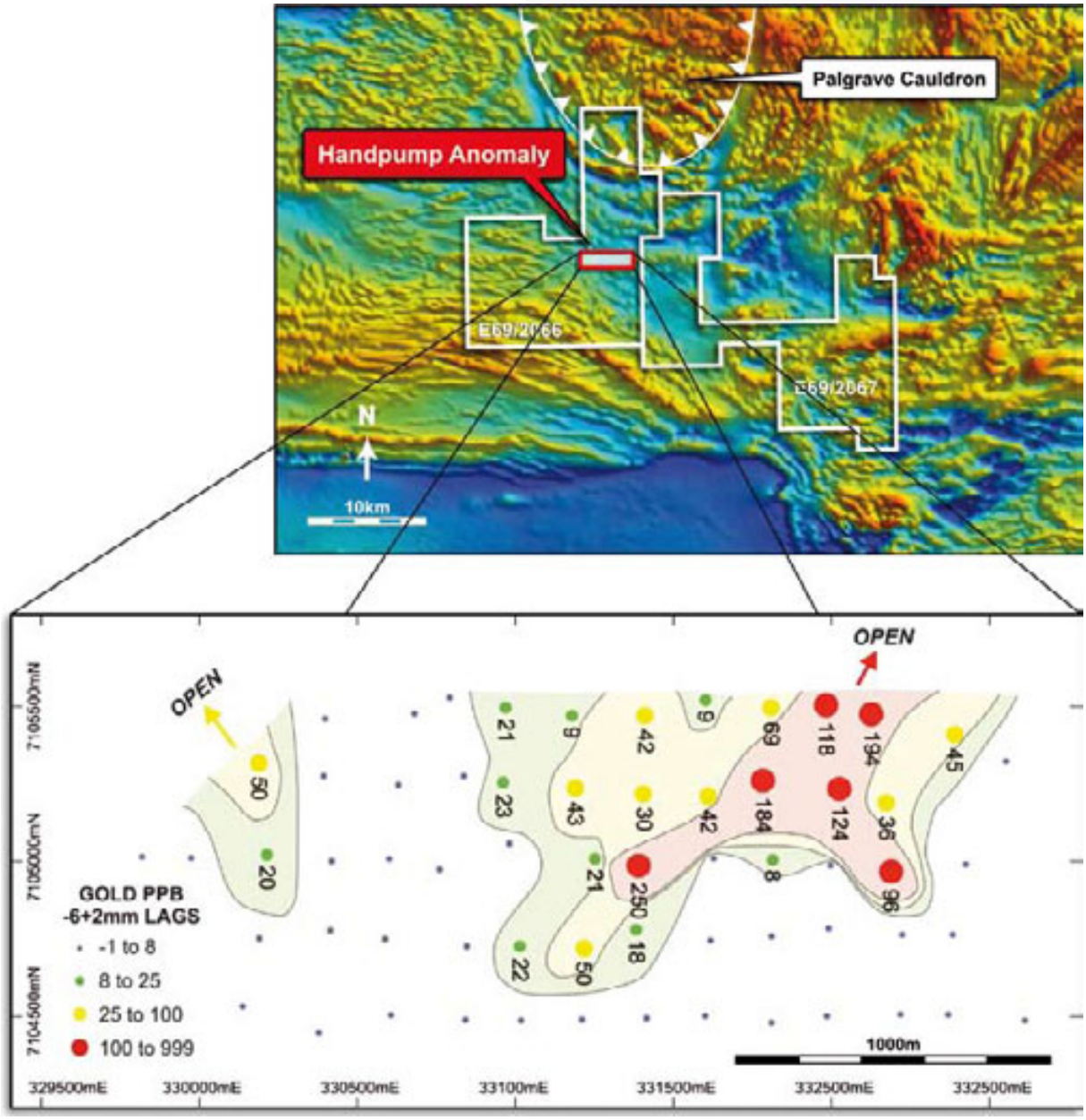


Figure 5: West Musgrave Project - Handpump Prospect gold soil anomaly

Area 7 Prospect (EL69/2068-2071) – 772 km^2

The Area 7 Prospect is located within alluvial and aeolian regolith immediately north of Giles Complex ultramafic rocks of the Blackstone Ranges. The area contains the headwaters of a diffuse palaeochannel considered to be a target for conventional roll front style uranium deposits and surficial calcrete style deposits.

(c) Lake Mackay Project – Western Australia

The Lake Mackay Project comprises two prospect areas, Mt Webb and Dwarf Well located close to the Northern Territory border 450km north of Warburton. Mesoproterozoic rocks including the comagmatic Pollock Hills Formation and Mt Webb Granite show primary and alteration geochemistry which have similarities to those of other Proterozoic IOCG mineralised areas in the eastern Mt Isa – Cloncurry district and the Gawler Craton.

A land access agreement has been signed by Agincourt Exploration with the Tjamu Tjamu native title group, allowing exploration to commence immediately after the land access agreement is assigned to Beadell and the exploration licence applications are granted. Portions of this project are located on Aboriginal land. Prior to entry onto these areas entry permits will be required. Refer to Section 6 for further details.

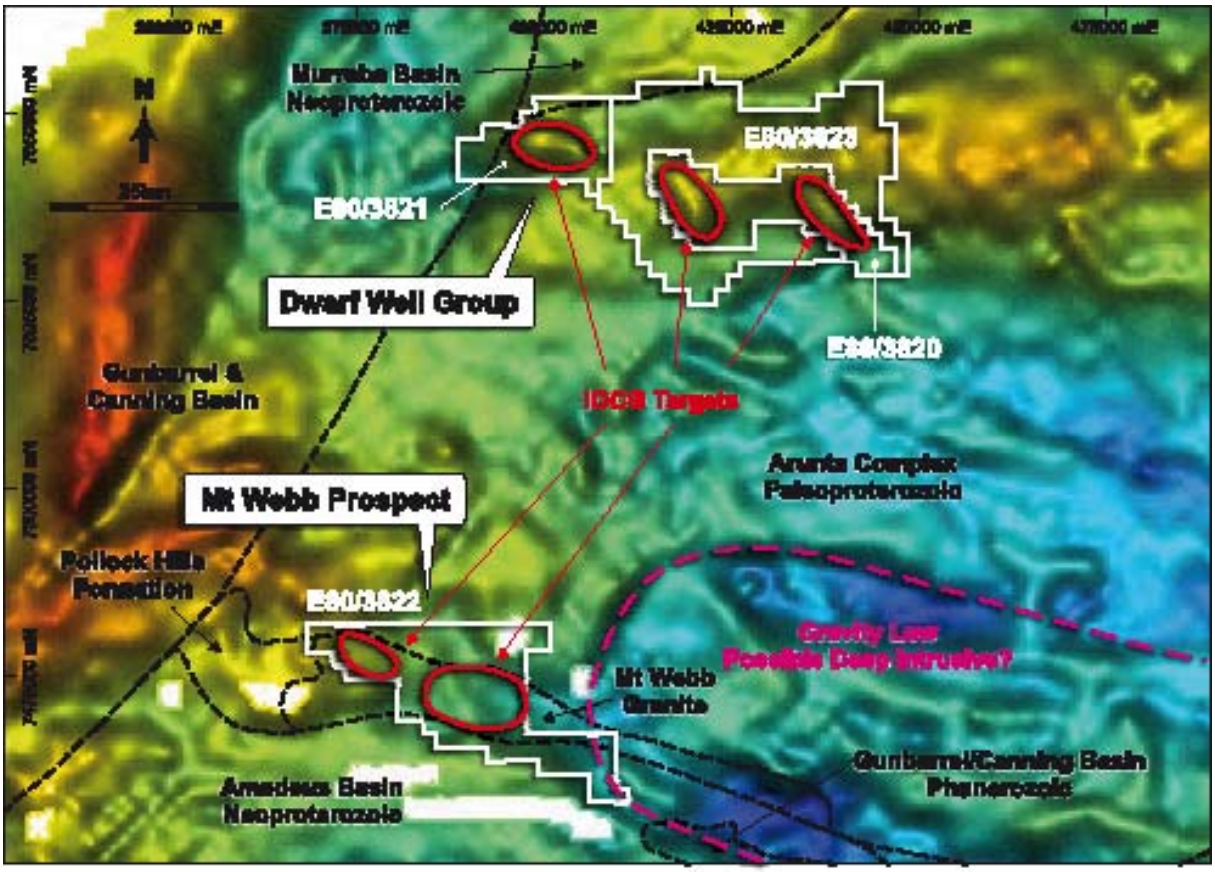


Figure 6: Lake Mackay Project tenement location, Bouguer Gravity image and interpreted geology.

Mt Webb Prospect (ELA80/3822) – 443 km^2

The Mt Webb Prospect is located along the southern margin of the Arunta Complex where subcropping Mt Webb granite and comagmatic Pollock Hills Formation felsic volcanics are located within the tenement. A recent gravity survey completed by the Geological Survey of Western Australia has highlighted a large circular gravity low immediately east of the Mt Webb Prospect, the Company has interpreted this to represent a deep magmatic source zone to the surface volcanic and magmatic rocks within the tenement (Figure 6).

Recent work by Geoscience Australia suggests the possibility of IOCG and associated uranium type targets in the basement lithologies of the Mt Webb area.

Exploration will target geophysical anomalies identified in the gravity and aeromagnetic data and include first pass surface geochemical soil sampling and detailed mapping across the tenement.

Dwarf Well Prospect (ELA80/3820-21, 3823) – 1087 km^2

The Dwarf Well Prospect located north of Lake Mackay is hosted within an east-west trending belt of complex magnetic stratigraphy interpreted to represent a layered repetition of the Arunta Complex. There is a domal type magnetic anomaly within the layered Arunta Complex in the Dwarf Well Prospect. This may relate to a buried high level granite intrusive similar to the Mt Webb granite, which provides a potential IOCG target. The more layered magnetic anomaly to the east may also be due to metasomatic magnetite and also have potential for IOCG type mineralisation. Three coincident magnetic and gravity anomalies potentially representing Mesoproterozoic aged intrusive rocks have been identified as IOCG targets and will form the focus of initial exploration activities in the area.

(d) Reedy Creek Project – Victoria

The Reedy Creek Project is located 70km north of Melbourne in Victoria and is accessible via the Hume Highway adjacent to Kilmore. The project is located within the Melbourne geological zone consisting of Siluro-Devonian turbidites intruded by Late Devonian granite and diorite dykes.

Two styles of gold mineralisation exists within the project and include the typical Ballarat/Bendigo saddle reef style mesothermal vein style deposits of about 420Ma age hosted along the northwest trending Reedy Creek

Anticline. The other style of mineralisation is the high level gold and antimony mineralisation thought to have formed in a late orogenic event at about 400Ma-380Ma. Fosterville gold mine located 70km northwest of Reedy Creek is an example of this style of mineralisation (Figure 7). Gold and antimony mineralisation within the tenement is hosted by northeast trending quartz diorite dyke sets, indicative of a major cross structure syn or post regional folding. Initial exploration at Reedy Creek will be focussed on the dyke hosted gold and antimony mineralisation, within the Golden Dyke and Apollo structures at Clonbinane and later in the Leviathan-Tonstal, Aftermath and Harry's dykes. This mineralisation is considered prospective for open pit, bulk tonnage suitable for modern day mining methods. The Steele's Creek area located further to the south also has gold and antimony mineralisation potential associated with a felsic intrusive stock.

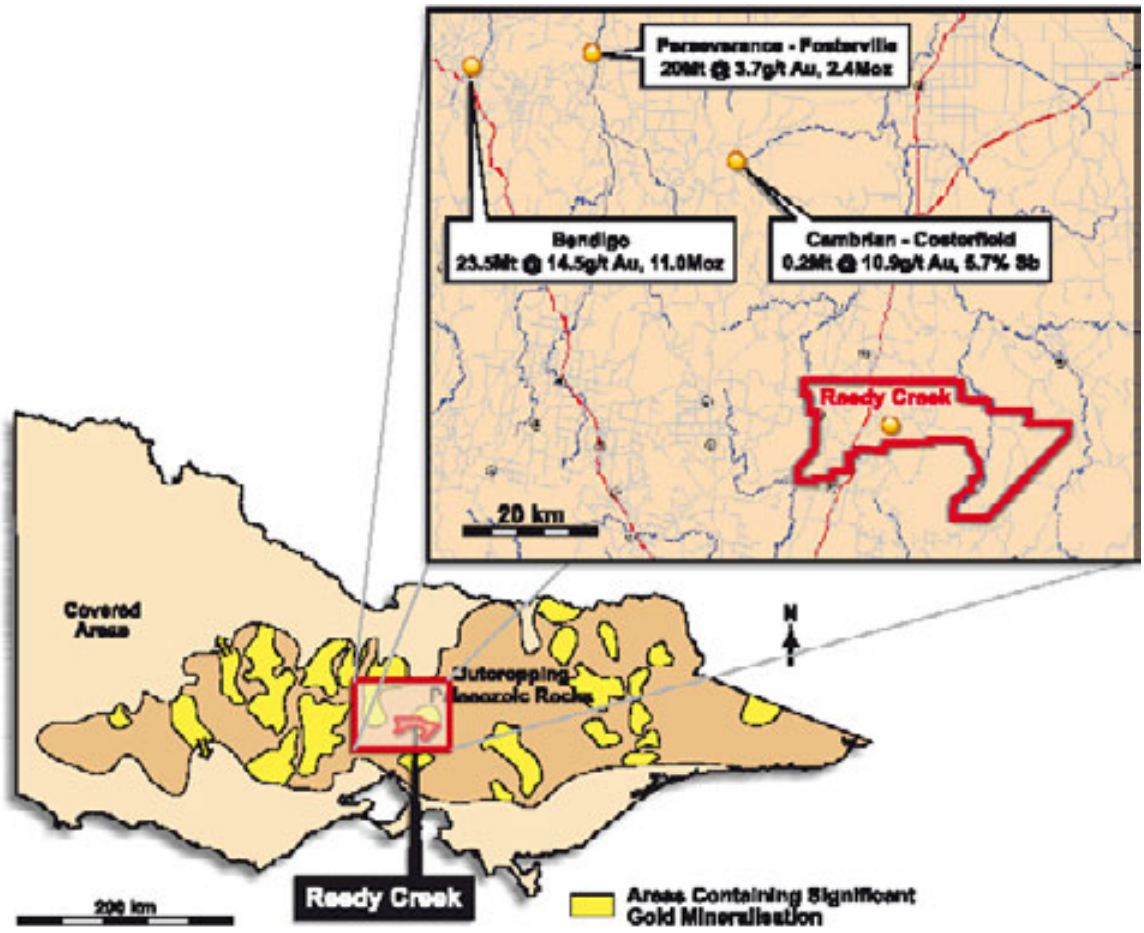


Figure 7: Reedy Creek location map and regional gold deposits.

**The Bendigo, Fosterville and Costerfield gold mines are not located in the Reedy Creek Project.*

Reedy Creek Prospect (EL 4460, ELA 4987) – 565 km^2

The Reedy Creek Prospect is predominantly located within state forest surrounded by agricultural farming properties easily accessible from the Hume Highway.

Numerous diorite dyke associated gold and antimony targets exists over a 7km strike forming a ring dyke feature around the Mt Disappointment granite. Targets include the Clonbinane, Leviathan, Tonstal's, Aftermath and Harry's dyke.

Previous shallow RC drilling in the Clonbinane area identified significant drill intersections including 8m @ 7.0g/t gold from 9m depth, 21m @ 4.8g/t gold from 9m and 15m @ 4.1g/t gold from 25m hosted by steeply dipping multiple shear and vein/dyke hosted mineralisation. Potential exists to extend the mineralisation at depth and along strike and a 2,500m RC drilling program has been planned as an initial phase of exploration.

Steele's Creek Prospect (ELA 5072) – 16 km^2

The Steele's Creek area hosts gold and antimony mineralisation associated with a felsic intrusive stock of Siluro-Devonian age. Three diamond holes were drilled by Alpha Minerals NL in the late 1960's recording broad zones of gold and antimony mineralisation within a quartz porphyry intrusive interpreted to be 1,000m long by 700m wide.

(e) Lake Torrens Project – South Australia

Lake Torrens Project (EL 3489, EL3823) – 968 km^2

The Lake Torrens Project is located within the Lake Torrens ephemeral salt lake system. The tenements are located on the south western part of Lake Torrens, 20km east and 60km south of the Carapateena copper gold discovery by RMG Services Pty Ltd, within the NW trending Olympic Dam corridor. Joint Venture Partners at Carapateena, Teck Cominco Australia Ltd recently announced a drill result of 905m @ 2.1% Cu and 1g/t gold (Figure 8). Potential for further copper gold discoveries along the Olympic Dam trend is considered high with widespread copper gold mineralisation and alteration having recently been recorded in other drilling by Monax Mining Ltd south of Carapateena. Both tenements appear to straddle the Torrens Hinge Zone. The basement is expected to contain the Gawler Range volcanics and the Hiltaba granitic suite at an unknown depth, however likely to be in excess of 400m.

Before commencing on ground exploration Beadell will need to negotiate an access agreement with the native title claimants in respect of native title claims that exist over the Lake Torrens project and complete a Declaration of Environmental Factors (DEF) report. Beadell is currently completing the DEF report for a gravity survey. Drill testing of geophysical anomalies will form the second phase of exploration within the project.

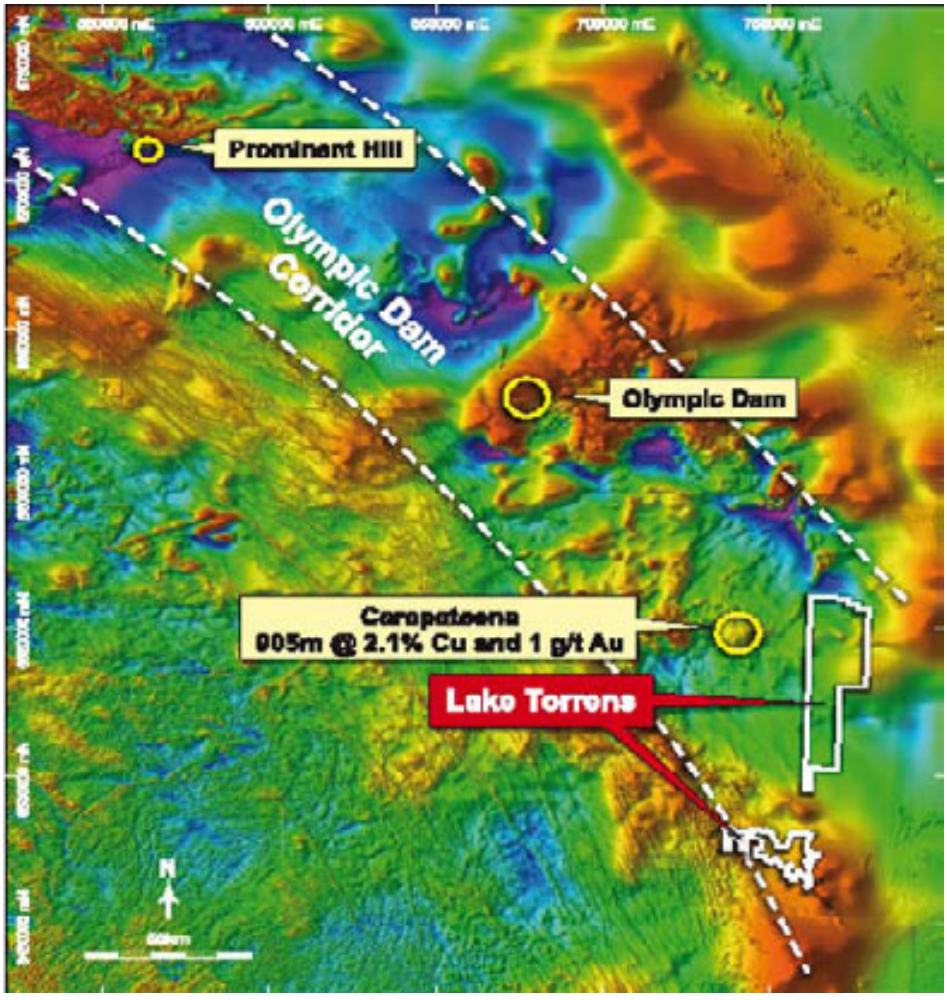


Figure 8: Lake Torrens tenement location and Total Magnetic Intensity image.

**The Carapateena deposit is not located in the Lake Torrens Project.*

3.3 Brazilian Project

(a) **Tartaruga Project – Amapa**

Tartaruga (DNPM 851.439/1980) – 96 km^2

The Tartaruga Project is located in the northern most Brazilian state of Amapa, approximately 160km north of the state capital, Macapa. The project sits within the well regarded Villa Nova Suite, which is a regionally outcropping Paleoproterozoic greenstone belt forming part of the Guiana Shield.

Access to the project is via a major sealed highway which runs from the capital Macapa through the project area and then up the state's northern border.

The Tartaruga Project area comprises a mining concession title *(DNPM-851.439/1980)* under which an exploration permit has been granted and the final exploration report has been approved and which is now undergoing final approval by the DNPM for the issue, under the concession, of a mining permit. The mining concession title *(DNPM-851.439/1980)* covers a total area of 9,601.89ha. In 1981, British Petroleum acquired the tenement through their Brazilian subsidiary, BP Mineração. In 2004, the tenement was transferred to Keystone Ltda and subsequently to Brazmin in April 2005. Upon successful listing on the ASX, the Company's local subsidiary, Beadell Resources Mineração, will acquire 100% interest in the Tartaruga Project from Brazmin (subsidiary of Talon Metals Corp).

The Tartaruga Project is located within one of a series of Paleoproterozoic-aged greenstone belts in the south-eastern portion of the Guyana Shield. The Guyana Shield represents the northern segment of the larger Amazonian Craton in South America and is one of three crystalline shields that underlie approximately one-third of Brazil. The Guyana Shield covers an area of 900,000km^2 and extends into the neighbouring countries of Venezuela, Guyana, Suriname and French Guiana. The Guyana Shield is interpreted to have once been joined to the West Africa Shield, a recognised gold province. Research completed in the past decade supports the theory that during the Paleoproterozoic (~2 Ga), the Guyana and West African Shields were joined as part of a supercontinent (Figure 9). Given the close geological correlation, the Guyana Shield greenstone-granite packages are considered to be prospective for mineral exploration.

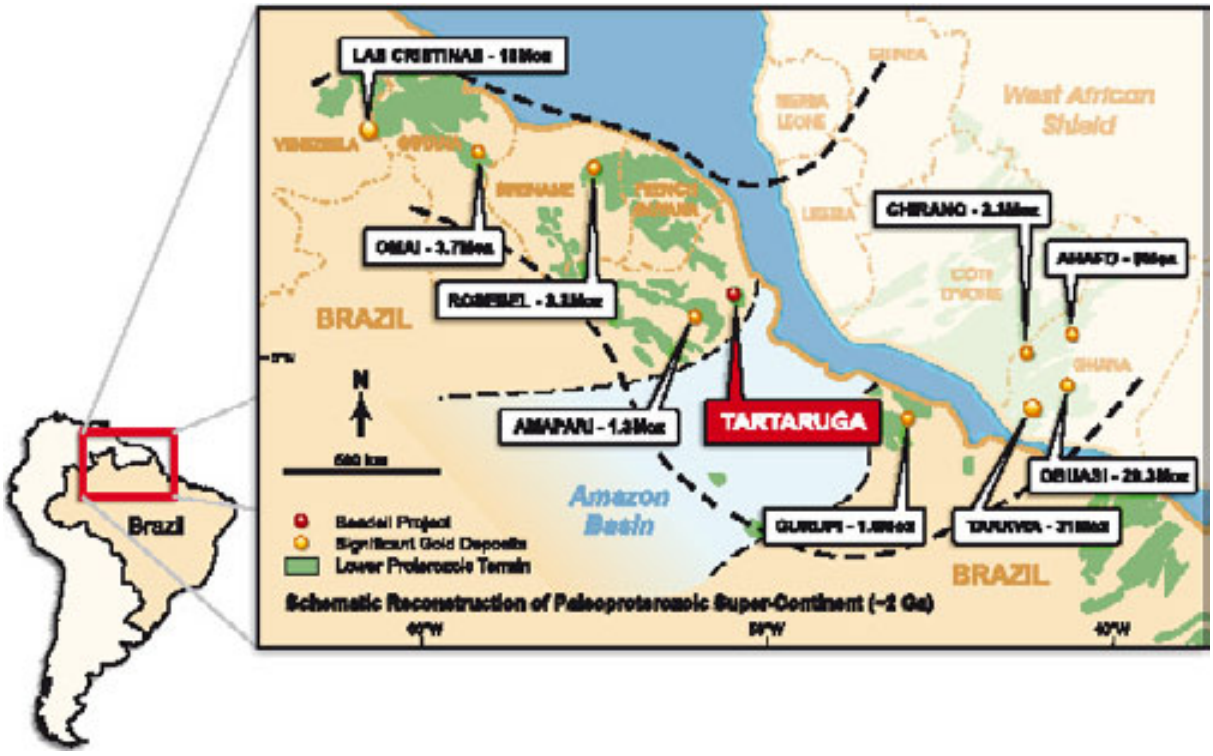


Figure 9: Location of the Tartaruga Project in schematic reconstruction of Paleoproterozoic supercontinent (~2 Ga).

The Tartaruga Project has a known gold deposit, Mineiro, which has been exploited superficially by artisanal gold miners known as garimpeiros who extracted gold from the alluvium overlying the deposit. Several smaller, less defined deposits exist along strike from the Mineiro pit and are possibly lateral extensions of the same

mineralisation. These regions are known as Mandiocal, Bananal and Buração. Gold mineralisation is hosted in tabular quartz stringer veining from 1.4m to 13m wide within a sericite altered quartzite over a known strike length of 1,600m (Figure 10). Previous test work on the mineralisation shows it to be generally free milling with a minor sulphide and telluride association.

The main Mineiro deposit was diamond drilled by BP Mineração in 1985 and again by Brazmin in 2005. Snowden Mining Industry Consultants Pty Ltd completed the Independent Geological Report for the Tartaruga Project which included an assessment of previous mineral estimates. Over 6,000m of diamond drilling has been completed at the project including resource drilling of the main Mineiro zone over a strike length of 700m to a 50m by 20-25m grid. Snowden Mining Industry Consultants Pty Ltd estimate a target range of 2.0-3.2Mt at average grades of between 1.6 and 3.8 g/t gold. This target range is conceptual in nature; refer to 4.5.5 of the Independent Geologist Report in section 4.

Outside of the currently defined mineralised areas, the presence of large unexplored portions of the mapped sericite altered quartzite unit, recognised as the principal host to the gold mineralisation is considered to have positive exploration potential.

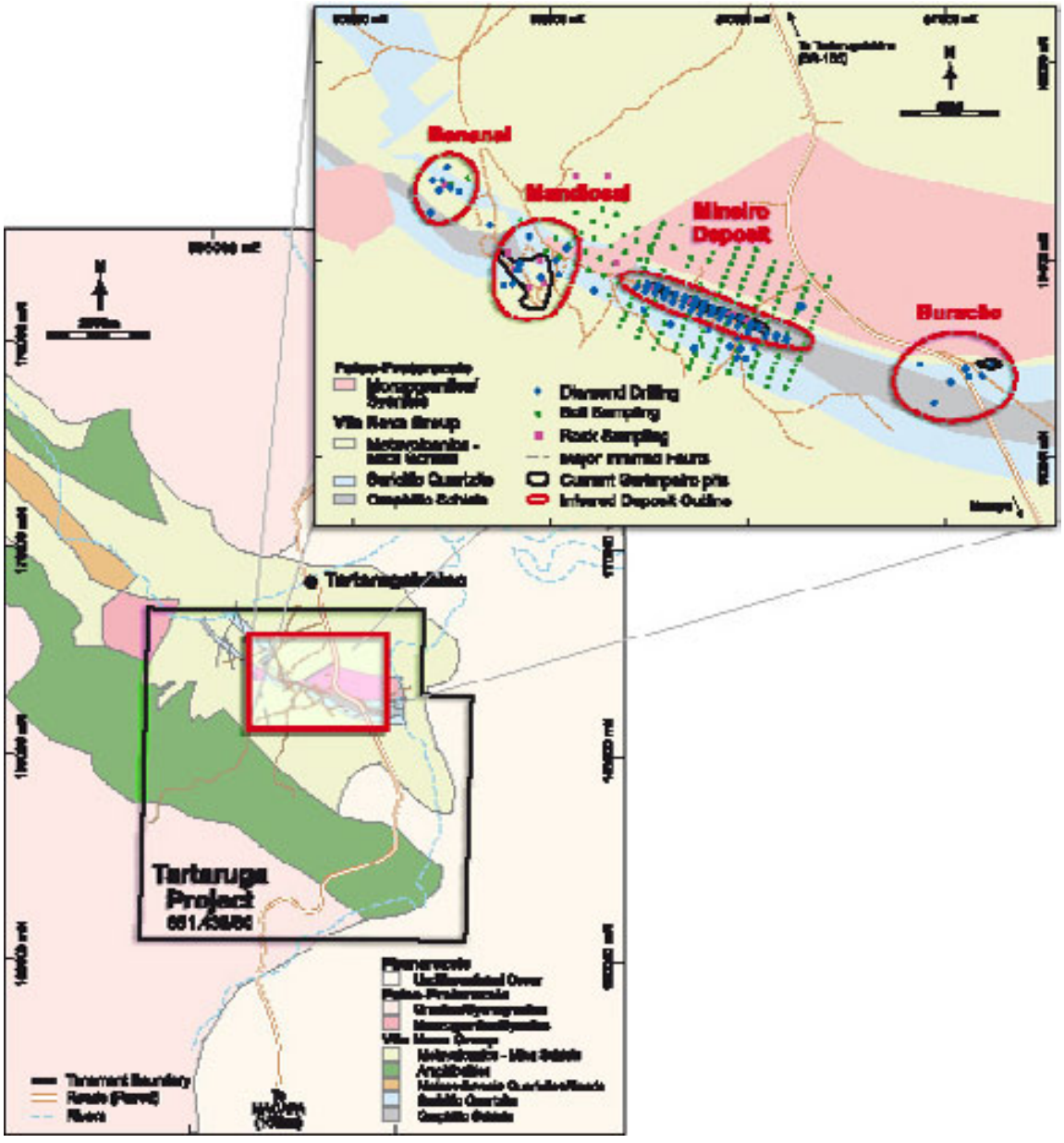


Figure 10: Tartaruga Project interpreted geology and drill hole location map

3.4 Expenditure Summary

Beadell has planned and budgeted for a focussed and aggressive exploration and development program with a direct exploration expenditure totalling $8,558,000 over a two year period including $4,437,000 in the first year.

The following table summarises the allocation of exploration funds over the 2 year period.

	YEAR 1	YEAR 2
TROPICANA EAST PROJECT - WESTERN AUSTRALIA	Total Costs ($)	Total Costs ($)
Consumables and Admin	25,000	25,000
Contract Geologist	25,000	25,000
Contractors Earth Moving and Field Work	40,000	40,000
Gravity Survey	125,000	-
Auger / Soil Sampling	188,000	-
AC Drilling	375,000	375,000
RC Drilling	150,000	600,000
Tenement Charges (Rents / Rates / Land Access)	90,000	90,000
Staff Salaries	119,000	119,000
Capital items	250,000	47,000
Total Tropicana East Project - Western Australia	**$1,387,000**	**$1,321,000**
WEST MUSGRAVE PROJECT - WESTERN AUSTRALIA		
Consumables and Admin	25,000	25,000
Contract Geologist	25,000	25,000
Earth Moving and Field Contractor	-	20,000
Heritage / Flora Survey	40,000	-
Auger / Soil Sampling	25,000	25,000
AC Drilling	-	63,000
Tenement Charges (Rents / Rates)	51,000	51,000
Land Access Agreement, negotiations and Annual Costs	40,000	20,000
Staff Salaries	119,000	119,000
Total West Musgrave Project - Western Australia	**$325,000**	**$348,000**
LAKE MACKAY PROJECT - WESTERN AUSTRALIA		
Consumables, Travel, Accommodation and Admin	25,000	25,000
Contract Geologist	25,000	25,000
Earth Moving and Field Contractor	-	40,000
Heritage / Flora Survey	40,000	20,000
Geophysics	50,000	-
Auger / Soil Sampling	75,000	-
AC Drilling	-	75,000
Tenement Charges (Rents / Rates)	55,000	55,000
Land Access Agreement, negotiations and Annual Costs	40,000	40,000

	YEAR 1	YEAR 2
Staff Salaries	119,000	119,000
Total Lake Mackay Project - Western Australia	**$429,000**	**$399,000**
REEDY CREEK PROJECT - VICTORIA		
Consumables, Travel, Accommodation and Admin	25,000	25,000
Contract Geologist	25,000	25,000
Earth Moving and Field Contractor	20,000	20,000
Auger / Soil Sampling	38,000	-
RC Drilling	188,000	300,000
Tenement Management Charges	12,000	12,000
Staff Salaries	119,000	119,000
Capital Items	75,000	33,000
Total Reedy Creek Project - Victoria	**$502,000**	**$534,000**
LAKE TORRENS PROJECT - SOUTH AUSTRALIA		
Consumables, Travel, Accommodation and Admin	10,000	10,000
Geophysics - Gravity Survey	75,000	75,000
Diamond Drilling	-	100,000
Environmental Approval (DEF) and Flora Survey	25,000	25,000
Staff Salaries	119,000	119,000
Total Lake Torrens Project - South Australia	**$229,000**	**$329,000**
TOTAL BUDGET AUSTRALIA	**$2,872,000**	**$2,931,000**
TARTARUGA PROJECT - BRAZIL		
Field Office Consumables	50,000	50,000
Aeromagnetic Survey	125,000	-
Airfares Accommodation Travel	60,000	60,000
Soil Sampling	75,000	-
Diamond Drilling	555,000	-
Scoping and Feasibility Studies	-	570,000
Environmental Study	45,000	30,000
Accounting	18,000	18,000
Legal	60,000	60,000
Field crew	30,000	30,000
Staff Salaries	262,000	262,000
Capital Items	285,000	110,000
TOTAL BUDGET BRAZIL	**$1,565,000**	**$1,190,000**
TOTAL BEADELL EXPLORATION BUDGET	**$4,437,000**	**$4,121,000**

4. Independent Geologist's Report

Peter F Robinson and Associates Pty Ltd
MINERAL EXPLORATION CONSULTANTS AND MANAGERS

22 Honeytree Place, MANDURAH, WA 6210. Phone 95344777, Fax 95344888, Mob 0419 901 980
Email pfr@bigpond.com.au

23 / July / 2007

The Directors
Beadell Resources Ltd
Level 2, 16 Ord St
West Perth, WA 6005

Dear Sirs,

Beadell Resources Ltd ("Beadell") commissioned Peter F Robinson and Associates Pty Ltd ("PFR") to prepare an Independent Geologist Report on mineral exploration properties located in the Western Australia and South Australia and Victoria in which Beadell has an interest. These properties were acquired over gold targets but some also have potential for other metals deposits including uranium.

This report forms part of a Prospectus to be lodged with the Australian Securities Commission ("ASIC") on or about 7th August 2007 offering 60 million Shares at an issue price of 25cents each to raise $15million. The funds raised will be used for the purpose of exploration and evaluation of the mineral properties plus working capital.

PFR has based its review of the metalliferous properties on information supplied by Beadell, along with technical reports by government agencies and previous tenement holders, and other published and unpublished data. The information sources are listed in the bibliography attached to this report.

The Beadell projects included in this report are understood to consist of the Tropicana East Project, the West Musgrave Project and the Lake MacKay Project all in Western Australia, the Lake Torrens Project in South Australia, and the Reedy Creek Project in Victoria.

The legal status of the properties including native title considerations are the subject of a separate Tenement Summary which appears in Section 6 of the Prospectus. The status of the tenements has not has not been independently verified by PFR. The present status of tenements shown in this report is based on information supplied by Beadell and this report has been prepared on the assumption that the tenements will prove lawfully accessible for evaluation. References to tenements or licences in this report include applications for tenements and licences as the case may be.

This report has been prepared in accordance with the Code of Guidelines for Assessment and Valuation of Mineral Assets and Mineral Securities for Independent Expert Reports ("The Valmin Code") which is binding upon Members of the Australasian Institute of Mining and Metallurgy (AusIMM), and the rules and guidelines issued by such bodies as ASIC and Australian Stock Exchange (ASX), which pertain to Independent Expert Reports.

The mineral properties which Beadell is exploring or intends to explore are considered to be "Exploration Projects" which are inherently speculative in nature. PFR considers on the basis of this assessment that the projects have been acquired on the basis of sound technical merit. The properties are considered to be sufficiently prospective, subject to varying degrees of exploration risk, to warrant new or further exploration and assessment of their economic potential, consistent with the proposed programs which are set out in this report.

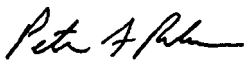
Exploration and evaluation programs for the granted tenements summarised in this report amount to a total expenditure of approximately $5,803,000 within the Australian projects of which Beadell plans to spend $2,872,000 in the first year of assessment. PFR understands that Beadell will have sufficient working capital to carry out its stated objectives, satisfying the requirements of ASX Listing Rule 1.3.3 (a). PFR at the request of Beadell has prepared staged exploration and evaluation programs for all projects and budgets for the properties, specific to the potential of the properties. PFR considers that the relevant areas have sufficient technical merit to justify the proposed programs and associated expenditure satisfying the requirements of ASX Listing Rule 1.3.3(a)

This report has been prepared from information available up to and including 23/07/07. PFR has provided consent for the inclusion of this report in section 4 of the Prospectus and has not withdrawn that consent before the lodgement of the Prospectus with ASIC.

The author of this report and the Principal of PFR, Mr Peter Robinson has over 37 years experience in mineral exploration and over 15 years experience specifically in uranium exploration in Australia. He is a Fellow of the Australasian Institute of Mining and Metallurgy, Member of the Mining Industry Consultants Association and a Chartered Professional Geologist. PFR has provided mineral exploration consultancy, advice and management to various Australian and international companies via Mr Peter Robinson since early 1984. Mr Peter Robinson has the appropriate qualifications, experience, competence and independence to be considered an "Expert" as well as a "Uranium Expert" under the definitions provided by the Valmin Code (2005).

Neither PFR nor the author of this report have or have previously had any material interest in Beadell or the mineral properties in which Beadell has an interest. The relationship with Beadell is solely one of professional association between client and consultant. This report was prepared in return for professional fees based on an agreed commercial rates and the payment of fees is in no way contingent upon the results of this report.

Yours Faithfully



Peter F Robinson
BSc., FAusIMM, MMICA, CPGeo.

Dated 23/07/2007

1 Summary and Overview

Beadell has acquired a portfolio of exploration projects in Western Australia, Victoria and South Australia that have potential to host mineral deposits in a variety of geological settings. The geological models for these deposits are described in Section 2.

This Independent Geological Report (IGR) has been compiled to assess the exploration potential of the projects.

All resource estimates referred throughout this IGR relate to historical resource estimates which are non-JORC compliant. These are quoted from various sources included within the bibliography at the end of this IGR. These historical resources are referred to in this IGR as they are considered relevant in the context of a review of the assets forming the portfolio of Beadell.

The tenement package forms a coherent portfolio that is practical to explore, containing a mix of under explored or poorly explored, geological settings.

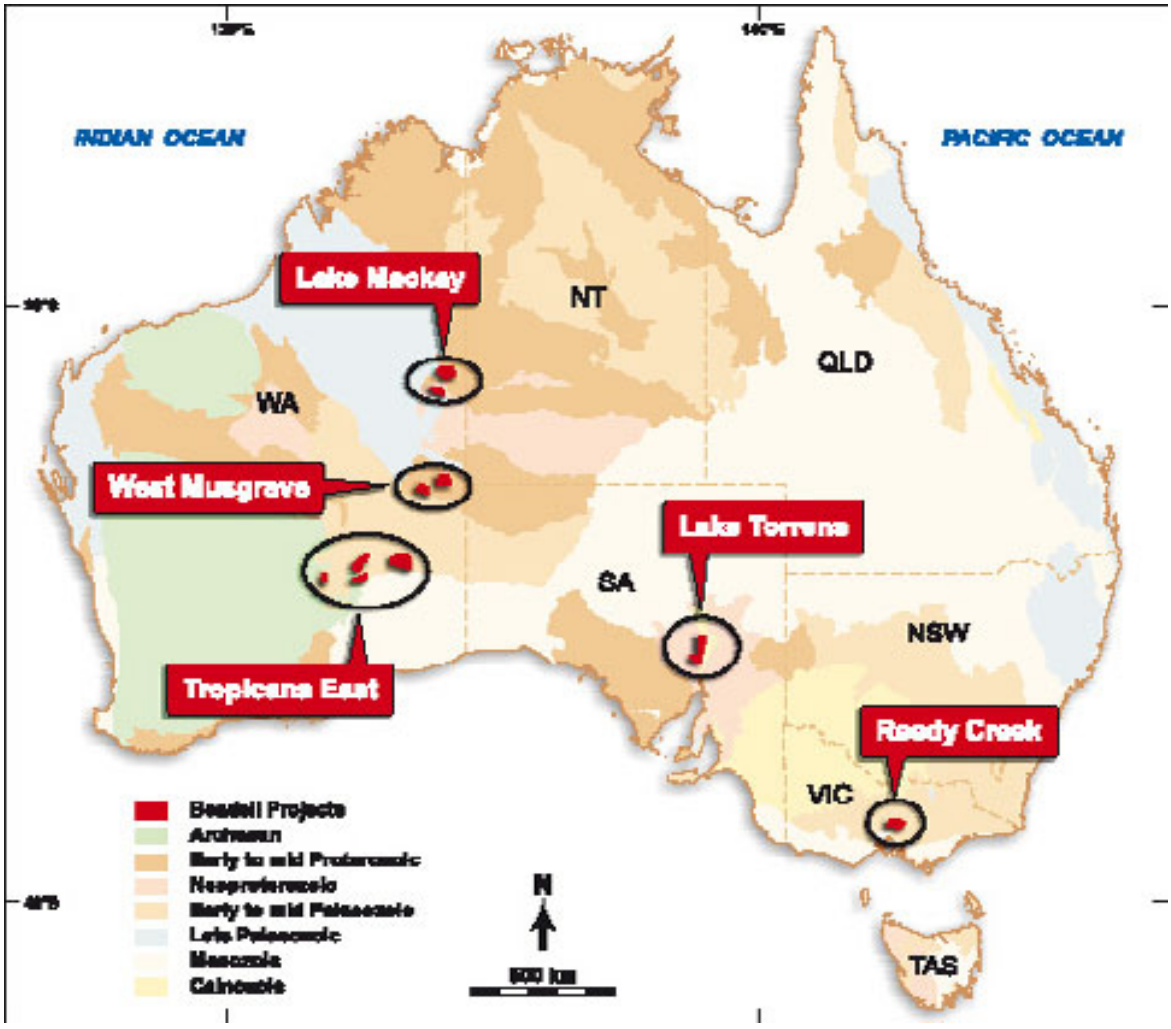


Figure 1: Location of Beadell Australian projects

Exploration budgets have been compiled for each of the Australian projects cognizant of whether they are currently granted tenements or not, and if not then consideration made to the timing of their likely granting. This covers a period of the first two years only, which amounts to - Year 1 $2,872,000 Year 2 $2,931,000 for a total of $5,803,000. Programs and budgets that would follow in the years after this will depend on the results received for the initial programs.

Table 1: Beadell proposed Australian exploration expenditure for Years 1 and 2

PROJECT	Year 1	Year 2	Total
Tropicana East Project – Western Australia	$ 1,387,000	$ 1,321,000	$2,708,000
West Musgrave Project – Western Australia	$ 325,000	$ 348,000	$673,000
Lake Mackay Project – Western Australia	$ 429,000	$ 399,000	$828,000
Reedy Creek Project – Victoria	$ 502,000	$ 534,000	$1,036,000
Lake Torrens Project – South Australia	$ 229,000	$ 329,000	$558,000
TOTAL	$ 2,872,000	$2,931,000	$5,803,000

2 Geological Models of Ore Genesis

Beadell has targeted a range of geological models primarily focused on gold though secondary and accessory targets for uranium and copper are also present. The main geological models considered appropriate for the project areas are summarised below.

2.1 Orogenic Gold Model

There are numerous orogenic gold deposits in Australia, with well known examples being the Golden Mile, Victory-Defiance, Leonora, and Norseman deposits, which in Australia, this style of mineralisation is the single most important source of gold. Orogenic gold deposits are associated with regionally metamorphosed terranes of all ages. The majority of Australian Archean gold deposits are located in the Yilgarn Craton of Western Australia, but a number also occur in the Pilbara and Gawler Cratons or in other small Archean outliers. The Paleozoic Slate Belt Gold Province in Victoria which hosts the well known Bendigo and Ballarat deposits is another important example of orogenic gold.

Mineralisation is formed during compressional to transpressional deformation in accretionary orogens. Vein mineralisation is often accompanied by pervasive wall-rock alteration and mineralisation. Rheological factors are important, as brittle material is more likely to localise fluid flow and thus host mineralisation.

There are strong structural controls at a variety of scales for these types of deposits, which are generally situated in second- or third-order structures near crustal-scale shear zones. Gold mineralisation is associated with syn- to post-peak regional metamorphism and is synchronous with major fault or shear-zone movement. Importantly, it is often associated with the last significant movement on the structure, although multiple ages of mineralisation are also apparent.

The chemical composition of the host rock is also significant, with iron- or iron-magnesium-rich rocks capable of destabilizing gold complexes and precipitating iron sulphides and gold.

Gold-rich deposits generally occur in two styles; quartz-carbonate veins and disseminated-replacement deposits. Of these, the quartz-carbonate style is more common.

The Beadell projects with the potential to host orogenic gold mineralisation are the Tropicana East and Lake MacKay Projects in Western Australia and the Reedy Creek Project in Victoria.

2.2 Iron-Oxide Copper Gold (IOCG) Deposits

Well known examples of the IOCG deposits are Olympic Dam and Prominent Hill in the Gawler Craton, South Australia and Ernest Henry, Osborne and Starra in the Cloncurry Belt of Queensland.

These deposits are generally multi-element (copper, gold, uranium, REE) mineralisation, associated with strong magnetite and haematite alteration of volcanic and plutonic rocks by iron-rich hydrothermal fluids. They often show strong structural control and are associated with extensional tectonic environments in crustal settings.

The depth of formation of IOCG deposits ranges from 10-15km to near-surface, and the hydrothermal alteration styles associated with the mineralisation appears to be strongly influenced by the depth of formation.

IOCG alteration systems around known deposits are generally very large and contain some satellite weakly mineralised systems (e.g. Ernest Henry district). In some terranes (i.e. Prominent Hill), the ore-grade economic

mineralisation is quite small relative to the broader-scale alteration envelope presenting a challenge for locating high-grade mineralised portions within the larger system.

There are four important features used in exploration of IOCG-style deposits; 1) A major geothermal event involving either intrusive or volcanic activity – in Australia Mesoproterozoic volcanic centres are considered important, 2) widespread pervasive iron-rich alteration, 3) copper, gold, uranium/REE geochemical anomalism and 4) regional faulting contemporaneous with the thermal event.

Exploration/targeting criteria that apply to this deposit type can include the following features:

- Host rock - a variety of host rocks can be mineralised, but often mineralisation is preferentially developed within specific, often iron-rich sequences;
- Magmatic association - intrusions of various ages but mostly Mesoproterozoic; oxidised and fractionated granitoids;
- Structure - major faults / structural zones or fault sets, long lived with controls on magmatism or sedimentation;
- Magnetic high - some deposits may be excellent aeromagnetic targets if the Fe-oxide is magnetite e.g. Ernest Henry;
- Gravity high - if high in Fe-oxides;
- Radiometric - if there is associated U ± potassic alteration anomalies.

Several of the Beadell projects have the potential to host IOCG type mineralisation including Tropicana East Project (Nullarbor Prospect), West Musgrave and Lake MacKay Projects in Western Australia and the Lake Torrens Project in South Australia.

2.3 Cauldron Related Epithermal and Vein Model

Precious metal epithermal vein, breccia and stockwork deposits are associated with cauldron collapse (caldera) structures and associated ring dykes.

Pre-caldera magmatic activity, cauldron collapse, contemporary and post-caldera hydrothermal processes all contribute to breccia formation which can become sites for stockwork mineralisation and alteration. The underlying diatremes may be more prospective for deeper base and precious metal veins and skarn style deposits.

The models for this type of deposit mostly relate to younger Phanerozoic tectonic systems. Epithermal gold deposits of eastern Australia such as Kidston, Mt Leyshon, Parkes as well as Pacific Rim examples of Emperor, Wild Dog, Ladolam-Lihir Island and Bougainville, generally relate to this model.

The Beadell West Musgrave Project in Western Australia possibly hosts mineralisation of this model type.

2.4 The Mulga Rock Uranium Deposit Model

Uranium mineralisation in the Mulga Rock deposit is hosted within palaeochannel sediments of peat and clayey peat which accumulated in an organic-rich paludal environment during the Eocene. The mineralised zones occur immediately below the redox boundary at the base of the weathered zone, are generally flat lying from 20 to 50m below surface and, average about 2m thick.

During the Cainozoic, weathering resulted in oxidation of the surface sediments down to a depth of approximately 30m. Uranium was leached out of granitoids and metamorphics of the Yilgarn and Albany Fraser Provinces and dissolved by oxidising ground waters. These ground waters transported dissolved uranium (as hexavalent uranyl ion) along the palaeochannels. Uranium is then fixed by adsorption when it comes into contact with organic material in the peat layers. While uranium minerals are not generally present, rare discrete grains of coffinite and uraninite have been identified within this type of deposit.

Repeated oxidation, downward movement and re-adsorption of the uranium would also be assisted by seasonal fluctuations in the height of the water table. Consequently, low-grade mineralisation, originally deposited in the organic-rich sediments, would subsequently be concentrated by supergene processes that results in uranium accumulating within peat layers at the base of surface oxidation.

The Beadell Minigwal Prospect in the Tropicana East Project shows potential of hosting this type of deposit.

2.5 Redox Related Roll Front Uranium Model

This model is related to redox changes in Palaeozoic, Mesozoic and Cainozoic host sediments. Deposits are mostly transgressive or roll fronts, but can also be tabular or peneconcordant.

These relatively young sandstone uranium deposits are contained in fluvial or marginal-marine sandstone. The host rocks are medium to coarse-grained, poorly sorted sedimentary facies that contain pyrite and organic (plant) matter. Uranium is mobile under oxidising conditions and precipitates under reducing conditions, and thus the presence of a reducing environment is essential for the formation of uranium deposits in sandstone.

Roll-front deposits are crescent-shaped in cross-section, and mineralisation cuts across the bedding and extends from the overlying to the underlying impervious mudstone/siltstone layers. The mineralised zone is convex down the hydraulic gradient. Mineralisation usually has a diffuse boundary with reduced sandstone on the down-gradient side and sharp contacts with the oxidised sands on the up-gradient side.

Sandstone deposits contain a large proportion of the world's known uranium resources, although they are commonly of low to medium grade (0.05 to 0.4% U_3O_8). Major global sandstone uranium provinces include the Powder River Basin in Wyoming, Colorado Plateau and Gulf Coastal Plain of the USA, and the Tim Mersoi Basin of Niger.

Within Australia, these younger sandstone deposits comprise approximately 5% of the total uranium resource. The youngest, best known deposits occur in the Tertiary (Eocene) Frome Embayment of South Australia. These include the Beverley, Beverley Four Mile, Honeymoon, East Kalkaroo and Gould's Dam deposits.

The West Musgrave Project may host the Redox related roll front uranium models.

2.6 Surficial Calcreted Drainage Uranium Model

Surficial calcrete deposits are contained in broad, drainage channels similar to the Yeelirrie Deposit that was enthusiastically explored for in Western Australia during the 1970s and early 80s. These types of deposits are once again the focus of uranium explorers.

The simplistic model for these deposits is based on mineral solubilities and ground water Eh conditions. Carnotite is a common mineral associated with calcrete uranium deposits, composed of potassium uranyl vanadate, the most insoluble compound of uranium in it's oxidised (U^{6+}) state.

Along with carbonate, uranium is transported in the groundwater down stream and increases in concentration due to evaporation. Uranium is probably transported as uranyl carbonate complex ions. When calcrete is formed by evaporation, the carbonate concentration in the groundwater is reduced and the uranyl carbonate ions become insoluble. Vanadium is more soluble in its reduced state (V^{4+}) than its oxidised state (V^{5+}), thus evaporation and oxidation at the top of the ground water precipitates the carnotite.

The best known examples of these deposits are Yeelirrie and Lake Way. Yeelirrie contains an indicated resource of approximately 52,500 tonnes of contained U_3O_8 at a grade of 0.15% (Uranium Information Centre 2005).

The surficial calcreted drainage uranium model can possibly be applied to the West Musgrave Project.

3 Tropicana East Project – Western Australia

3.1 Introduction

The Tropicana East Project is located approximately 350km northeast of Kalgoorlie. Access is via the Trans Australian Railway Line to Rawlinna, then north via dirt roads and tracks. Due to its remoteness the area has had little historic exploration. Some mapping was conducted in the region by the GSWA in the 1970's.

Recently, the region has become very active with exploration for gold, nickel, uranium and mineral sands. Major discoveries in the area include the nearby impressive Tropicana gold deposit and the Mulga Rock uranium deposit to the south west.

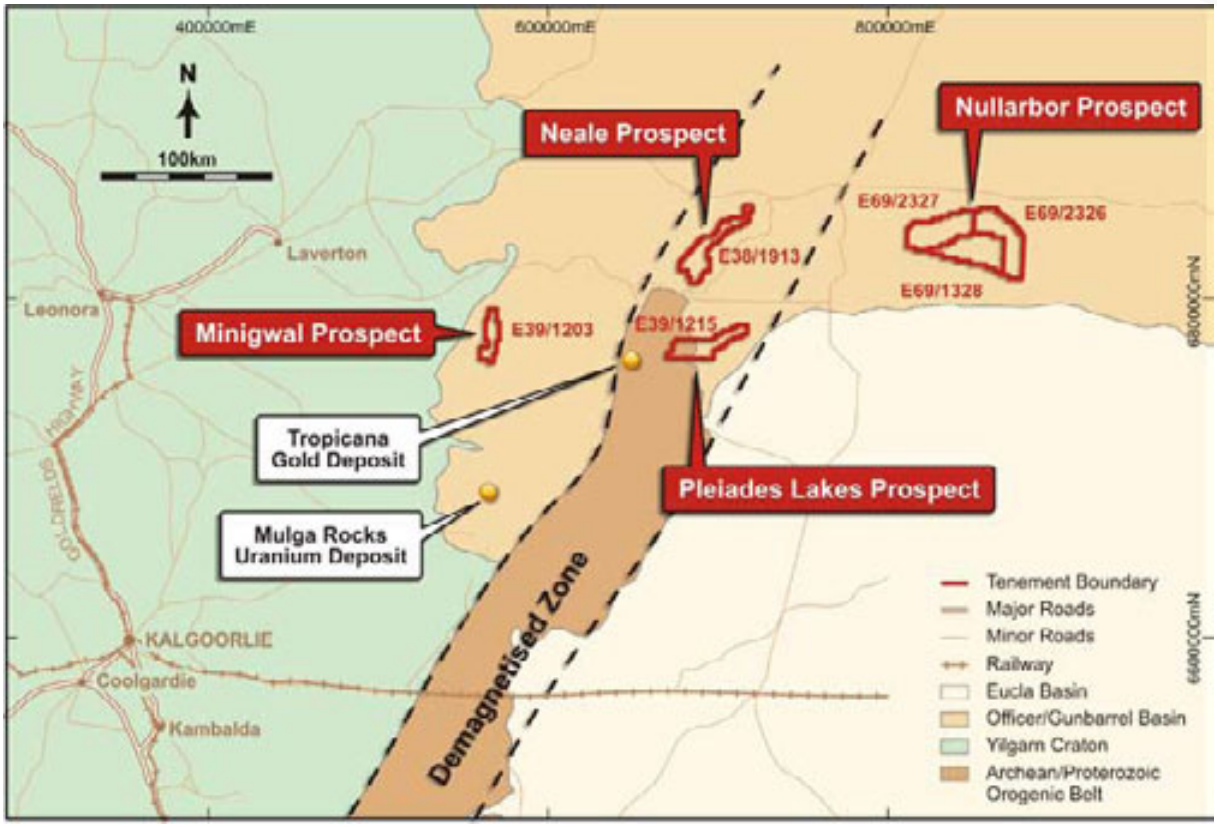


Figure 2: Tropicana East Project - location plan.

**The Tropicana deposit and the Mulga Rocks Uranium deposit are not located in the Tropicana East Project.*

3.2 Mineral Title and Land Status

The Tropicana East Project contains six tenements in four separate prospect areas totalling 2913km^2 of ground tenure. Exploration licenses (EL) have been granted for two areas Pleiades Lakes and Minigwal Prospects. Exploration license applications (ELA) are being processed for Neale and Nullarbor Prospects.

Pleiades Lakes Prospect	(EL 39/1215) – 417km^2
Minigwal Prospect	(EL 39/1203) – 219km^2
Neale Prospect	(ELA 39/1913) – 467km^2
Nullarbor Prospect	(ELA 69/2326 - 2328) – 1,810km^2

3.3 Geological Setting

3.3.1 Regional

There is limited understanding of the regional geology in the Tropicana district. Outcrop is rare and geological mapping is sparse and highly interpretive.

The region encompasses the boundary between the Archean Yilgarn Craton, and the Proterozoic Albany Fraser Province. A sharp boundary trends north northeast on the aeromagnetics total magnetic intensity (TMI) as seen on Figure 3, showing where the Yilgarn Craton abuts the Fraser Range Orogen. East of this, there is a demagnetised zone which is interpreted to be Archean lithologies overprinted by the Proterozoic Orogen and intruded by Proterozoic granites. Further east towards the Fraser Range Complex, the Proterozoic metamorphics of the Albany Fraser Province are included as part of the transition zone from Archean to Proterozoic rocks. The Fraser Range Complex appears as a gravity and magnetic high as outlined in Figure 3. East of the Fraser Range Complex, the Albany Fraser Province dominates.

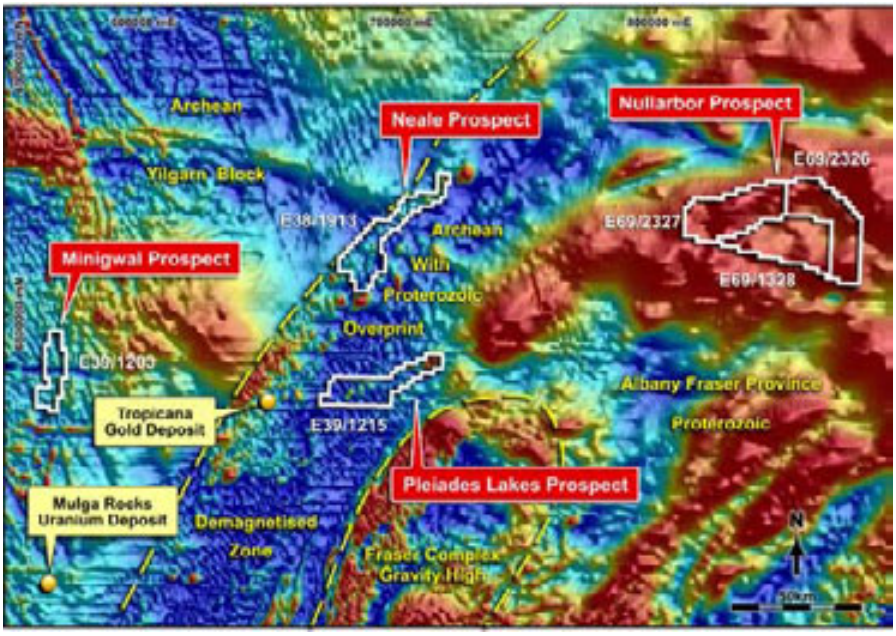


Figure 3: Tropicana East Project - regional setting and Total Magnetic Intensity.

**The Tropicana deposit and the Mulga Rocks Uranium deposit are not located in the Tropicana East Project.*

The location of the Beadell prospects is shown in Figure 3. The Minigwal Prospect is located on the Archean Yilgarn Craton, the Neale Prospect sits adjacent to the Yilgarn Craton's western boundary over the demagnetised, reworked Archean rocks. Pleiades Lakes Prospect also sits within the transitional demagnetised zone, directly east of the Tropicana deposit. The Nullarbor Prospect is located within the strongly magnetic Albany Fraser Province.

The Fraser Range Orogen is believed to have formed between 1800 and 1100Ma. Its relationship to the Gawler Craton adjoining it to the east is uncertain.

The orogenic lithologies form the basement to the Officer Basin Permian sediments of the Paterson Formation. To the south and west, the Eucla and Gunbarrel Basins on lap all of the above. Sequences within the basins range in age from Early Cretaceous to Holocene and probably does not exceed 750m total thickness.

Eocene palaeo drainage systems flow into the basin from the Western Australian Shield on the north western margin of the basin. One such drainage hosts the Mulga Rock Uranium Deposit. These drainage systems also brought heavy minerals to palaeo strand lines at the margins of the basin.

3.3.2 Local

There is little to no outcrop on any of the Beadell tenement areas with most are covered by wind blown sands. At the Neale Prospect, some local Permian sediment remnants outcrop. At the Pleiades Lakes Prospect there are very scattered outcrops of Proterozoic granites and gneisses and some Permian sediments. Minigwal and Nullarbor Prospects have no mapped outcrop.

3.4 Exploration History

Western Mining Corporation (WMC) explored mainly for Voisey Bay-style nickel mineralisation in the area south west of the Neale tenement - without success - in 1996. Exploration included an aeromagnetic survey, stream sediment and soil sampling, ground geophysics, mapping and rock chip sampling.

Later exploration in the same area by the Independence Group NL-Anglogold Ashanti Australia Ltd Joint Venture, located the Tropicana Gold deposit. The joint venture project area covers largely unexplored tenure over a strike length of 330km along the Fraser Range Orogen. Prospects located to date at Tropicana, comprise an extensive

gold mineralised system up to at least 4kms in strike length, over which ongoing exploration is targeting a multi-million ounce gold deposit. Exploration continues to generate exciting gold results, including significant intersections from a newly discovered zone of mineralisation, the Havana Zone. Havana is located 1.1km south of previously identified mineralisation at the Tropicana Zone.

The Beadell Pleiades Lakes Prospect is located only 20km east of the Tropicana deposit, in a faulted offset segment of complex magnetic gneissic stratigraphy interpreted to be of Proterozoic age. Initial regolith mapping by Agincourt in the area has highlighted a complex surficial regolith dominated by aeolian and playa lake cover with limited areas of subcropping Proterozoic basement of gneiss and dolerite.

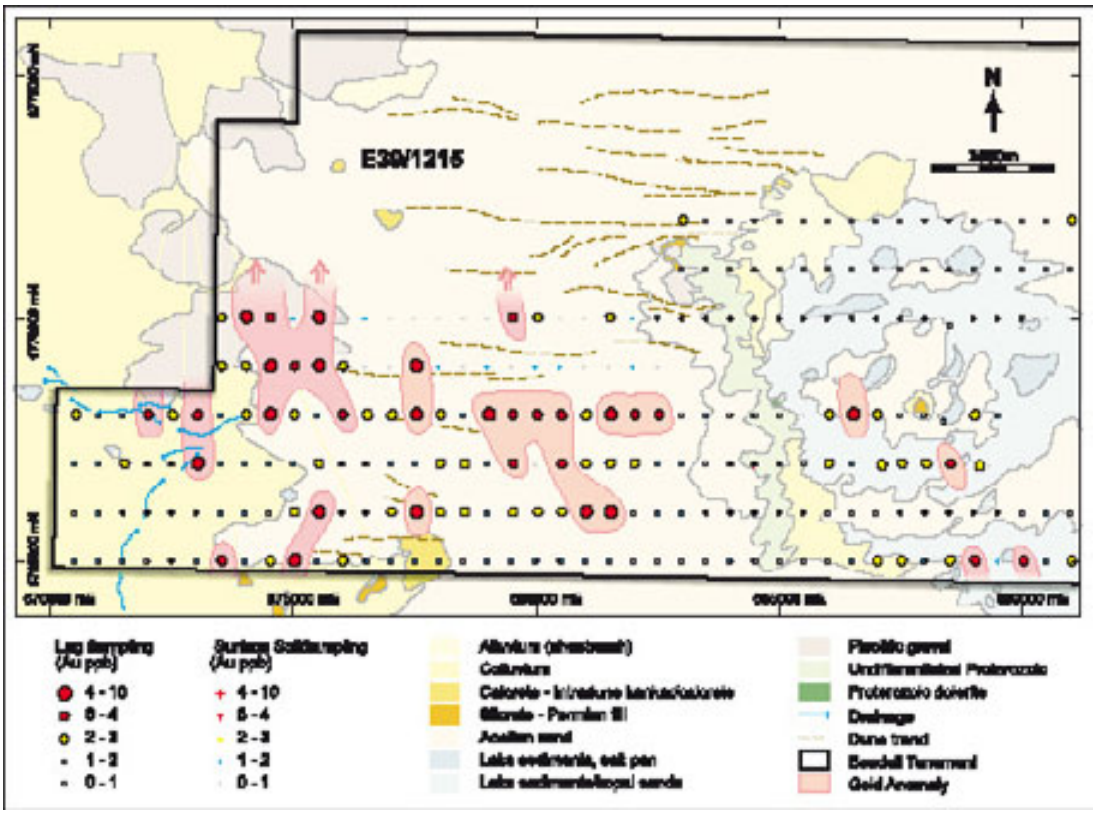


Figure 4: Tropicana East Project - Pleiades Lakes Prospect regolith map with soil sampling.

A first pass magnetic lag soil sampling program by Agincourt on a 1000m by 500m grid over the south western portion of the tenement yielded broad low level gold anomalies up to 8.9ppb gold which will be followed up with infill soil sampling prior to first pass drilling (Figure 4). Two types of soil sampling were used at Pleiades Lakes with the preferred method being a magnetic lag sample, however in areas where no lag sample was present a whole soil sample was taken.

At the Neale Prospect minor mineral sands aircore drilling exploration has been completed on the tenement revealing a cover sequence 20-30m deep with recorded bedrock lithologies of schists and granite. Limited interface sampling totalling 30 samples yielded a maximum result of 0.02ppm gold. Initial exploration will involve re-analysis of drill samples for gold and first pass soil sampling for subtle gold anomalies in the transported material or basement protruding through the cover sequence.

The location of the Pleiades Lakes and Neale Prospects in relation to the Tropicana deposit is shown on Figure 5.

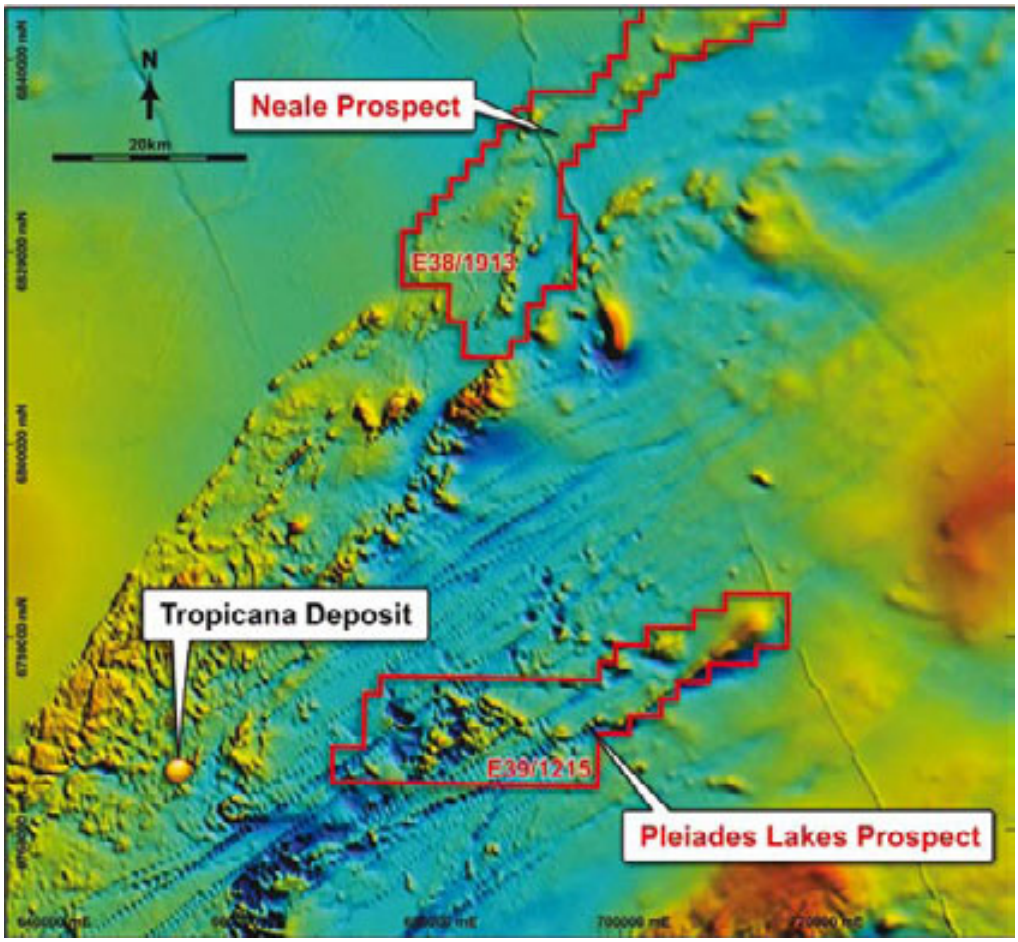


Figure 5: Tropicana East Project - Neale and Pleiades Lakes Prospects and Total Magnetic Intensity.

**The Tropicana deposit is not located in the Tropicana East Project, Pleiades Lakes or Neale Prospects*

More regionally, exploration for Mulga Rock style and more general palaeo-drainage style uranium deposits has increased recently. Figure 6 below shows the location of the Beadell Minigwal Prospect with respect to the Mulga Rock uranium deposits.

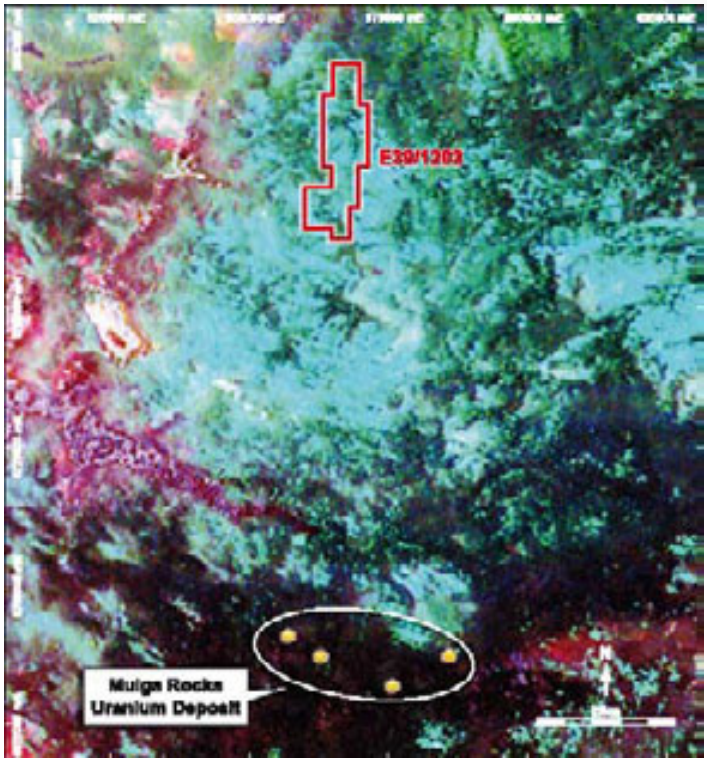
3.5 Gold Exploration Potential

This region is emerging as a new and significant orogenic gold province. The Tropicana Joint Venture to the south is targeting a million ounce plus deposit. Recent drilling at their Havana prospect gave a best intersection of 63m of 3.0g/t Au.

The tectonic and lithological environment at Tropicana extends directly north east into the adjoining Beadell Neale Prospect. The Beadell Pleiades Lakes Prospect is located only 20km east of the Tropicana deposit, in a faulted offset segment of complex magnetic gneissic stratigraphy. Initial regolith mapping in the area has highlighted a complex surficial regolith dominated by aeolian and playa lake cover with limited areas of subcropping basement of gneiss and dolerite. The tenement is bounded by the Independence Group NL/Anglogold Ashanti Australia Ltd joint venture to the west, Anglo Gold Ashanti Australia Ltd to the south and Teck Cominco Ltd to the north.

The larger Nullarbor Prospect is located in the Albany Fraser Province has potential for orogenic type gold deposits but may also host IOCG type deposits similar to the adjoining Gawler Craton.. A large circular magnetite alteration system is interpreted from the regional aeromagnetics forms the basis of the target, however very little geological information is known about the crystalline basement rocks in this region due to the overlying Permian cover which is thought to be in excess of 50m thick.

3.6 Uranium Exploration Potential



The Minigwal Prospect may cover Eocene drainage channel sediments similar to the Mulga Rock deposits to the south. The holders of the Mulga Rock deposit is Eaglefield Holdings Pty Ltd who also hold the ground north and west of the Beadell Minigwal Prospect. This deposit type is described in section 2 above.

3.7 Proposed Programme and Expenditure

Initial exploration will involve completing first pass regolith mapping and wide spaced soil sampling across the Pleiades Lakes, Neale and Minigwal Prospects. A trial magnetic lag soil sampling program on 1000m by 500m spacing across the south western portion of the Pleiades Lakes Prospect has already located broad gold anomalies up to 8.9ppb gold which will be subject to infill soil sampling of approximately 7,500 samples prior to drilling.

Figure 6: Tropicana East Project - Minigwal Prospect and Ternary Radiometrics (KThU)

**The Mulga Rocks deposit is not located in the Tropicana East Project, Minigwal Prospect.*

A large aircore drilling program will then be completed targeting geochemical and geophysical anomalies which are anticipated to be in the order of 15,000m of drilling commencing in early 2008. This will include some drill traverses across the Minigwal Prospect to test for palaeochannels. Obvious targets will be tested by an envisaged 2000m of RC drilling.

A first pass gravity survey will be completed at the Nullarbor Prospect targeting IOCG geophysical signatures.

Infill drilling of geochemical anomalies and first pass drilling of the Nullarbor Prospect geophysical targets are earmarked for the second year of exploration. This is also anticipated to be in the order of 15,000m of aircore drilling. All targets will be further tested by an envisaged 8,000m of RC drilling.

Proposed expenditure for Year 1 is $1,387,000 followed by $1,321,000 in Year 2.

4 West Musgrave Project – Western Australia

4.1 Introduction

Warburton is the main centre for the West Musgrave Project and can be reached by road from Laverton or Alice Springs, or by air. Access to tenement holdings is via the Warburton-Blackstone road. The Handpump Prospect is approximately 60km east of Warburton while the Area 7 Prospect is 150km east.

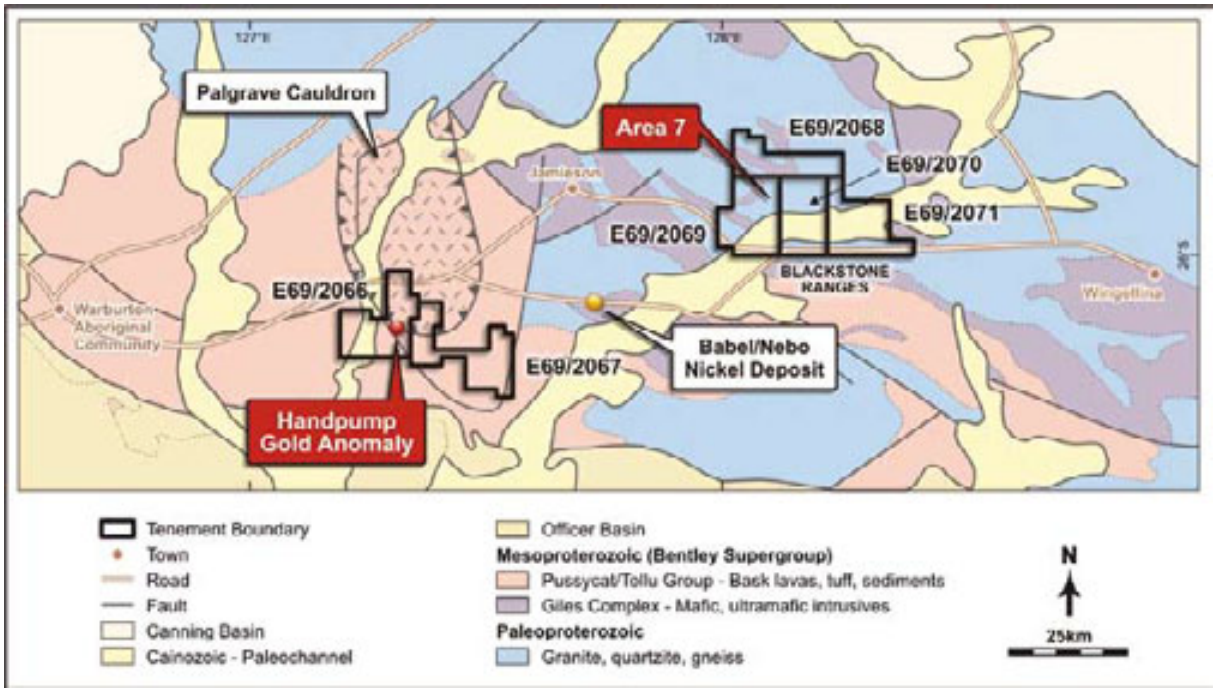


Figure 7: West Musgrave Project - location and regional geological setting

4.2 Mineral Title and Land Status

The West Musgrave Project includes five granted tenements in two groups of exploration licenses totalling an area of 1,204km^2. The Handpump Prospect is the western group and consists of tenements E69/2066 - 67 (432km^2). The eastern group is known as the Area 7 Prospect and consists of tenements E69/2068 - 71 covering a total area of 772km^2.

The West Musgrave Project is located within Native Title Determined Lands overseen by the Ngaanyatjarra Land Council (NLC). Beadell is currently negotiating a Land Access Agreement with the NLC and traditional Aboriginal owners.

4.3 Geological Setting

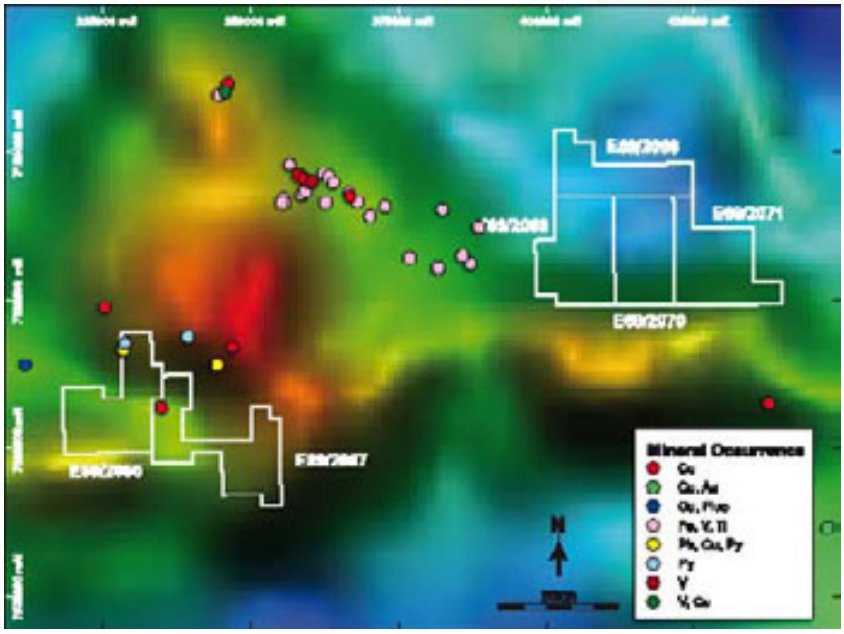
4.3.1 Regional

The West Musgrave region is dominated by the Lower and Middle Proterozoic lithologies of the Musgrave Complex. The complex has a core of high to medium grade metamorphics comprising granulites, gneisses and granitoids. Flanking the core are medium to low grade metamorphics comprising volcanics, sediments and volcanogenic sediments. The complex is intruded by Mesoproterozoic granites, felsic volcanics and the major layered mafic/ultramafic Giles Complex. The Bentley Supergroup, which includes the Tollu and Pussycat Groups comprises thick basal super-crustal layered sequence of basic lavas, tuffs, and mixed sediments. Large felsic volcanic cauldrons including the Palgrave, Scamp and Skirmish Hills cauldrons have developed invaded and consumed these sequences. Co-magmatic high level granites intrude the cauldrons.

The Musgrave Complex is thought to continue to the northwest under the Phanerozoic cover to join the Paterson Orogen.

Unconformably overlying the complex are the Neoproterozoic sediments and minor volcanics of the Amadeus and Officer Basins. This stratigraphy probably equates with that of the Yaneena Basin which overlies the Paterson Orogen and importantly contains the Telfer gold deposit.

Recent work by Geoscience Australia (GA) has concentrated on the mafic-ultramafic Giles Complex in the western Musgrave Complex, and provides interesting regional correlations and age dates that can be used to relate to specific lithological / structural events.



A (plume-related) mafic melt upwelling event occurred near the triple junction of the Yilgarn, Coompana, and Amadeus cratonic blocks. This led to emplacement of the mafic and ultramafic Giles Complex. The junction is underlain by a very strong regional gravity high (Figure 8), which may represent part of or a reservoir for the Giles Complex. The felsic volcanics and intrusives most likely represent magmatism generated from melting of the lower crust by the mafic plume melts.

Figure 8: West Musgrave Project - gravity setting and local mineral occurrences

4.3.2 Local

The Handpump Prospect covers the south eastern part of the Palgrave Cauldron and the layered Pussycat Group equivalents. The Palgrave sequence contains rhyolite flows and tuffs (some pyritic and altered) ignimbrites, felsites and some basic lavas. These are intruded by granites, granophyres and porphyritic micro granites. The Pussycat equivalents contain mostly basalts and some rhyolites cherts, shales, sandstones and conglomerates as shown on Figure 9.

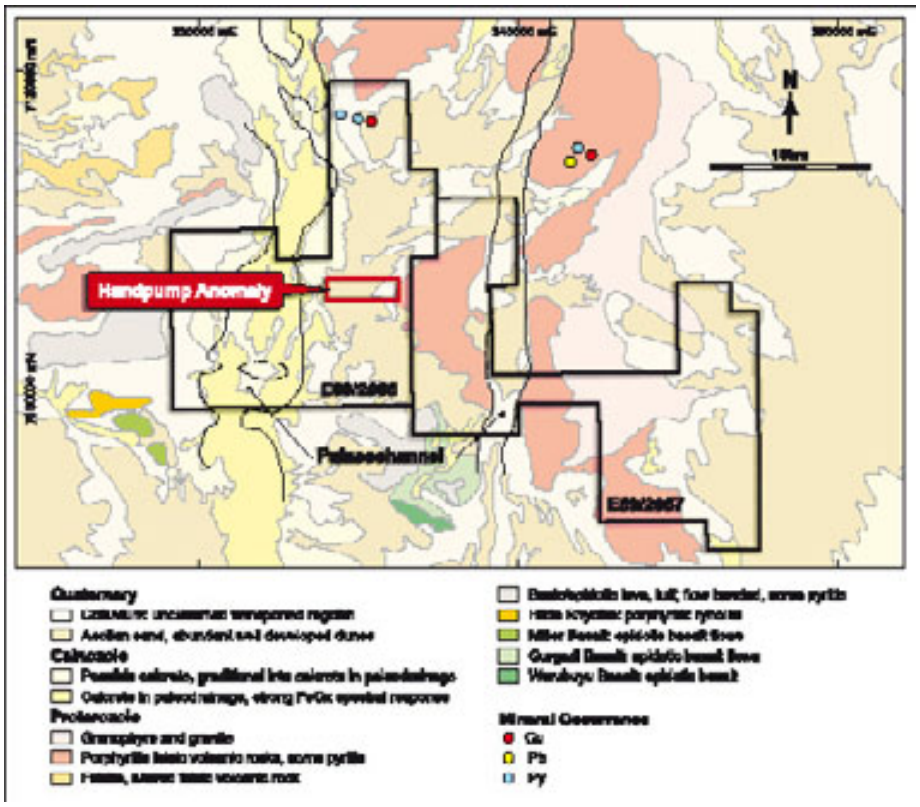


Figure 9: West Musgrave Project - Handpump Prospect and regolith setting

The Area 7 Prospect is mostly covered by alluvial and eolean sands with some small granite outcrops occurring the south. The ultramafic Giles Complex outcrops to the south in the Blackstone Range, to the east on the Morgan Range, to the west in the Finlay and Jamieson Ranges to the north.

The regional aeromagnetics as shown in Figure 10 suggests that the Giles Complex underlies much of the Area 7 Prospect.

4.4 Exploration History

Early exploration in the region was for lateritic nickel from 1954 to 1976. In the Wingelinna area, a group comprising International Nickel, Southern Exp Ltd, Nickel Mines Australia NL, Poseidon Ltd and South Western Mining Ltd,.

Western Mining Corporation Ltd (WMC) identified minor copper values in the Warburton Range area mostly in the Ainsley Volcanics of the Millisie Group and in the Palgrave Volcanics.

From 1995 to 2000, WMC explored the Livesey Range, Scott and Caesar Hill project which was focused on nickel-copper exploration within the Table Hill Volcanics. Work carried out on the Livesey Range project included an aeromagnetic survey and interpretation, and stream sediment sampling. The aeromagnetic survey outlined two magnetic anomalies considered to have some potential for exhalative copper mineralisation but modelling of the anomalies indicated that they were at great depth so tenements were relinquished.

The Caesar Hill Project covered the Palgrave Cauldron considered prospective for gold, base metals and nickel mineralisation. Exploration in this area comprised Landsat imagery, topographic maps, stream sediment, soil, rock chip sampling, gravity survey and geological mapping. Stream sediment sampling delineated eleven high priority gold anomalies which were subsequently soil sampled. Patchy elevated Cu values were also identified. On field evaluation, these values were found to relate to minor malachite stains on quartz veins in chloritised felsic volcanics. No further work was recommended on the Cu anomalies. It was determined that the tenements had limited potential to host a world class deposit, and they were either fully or partially surrendered.

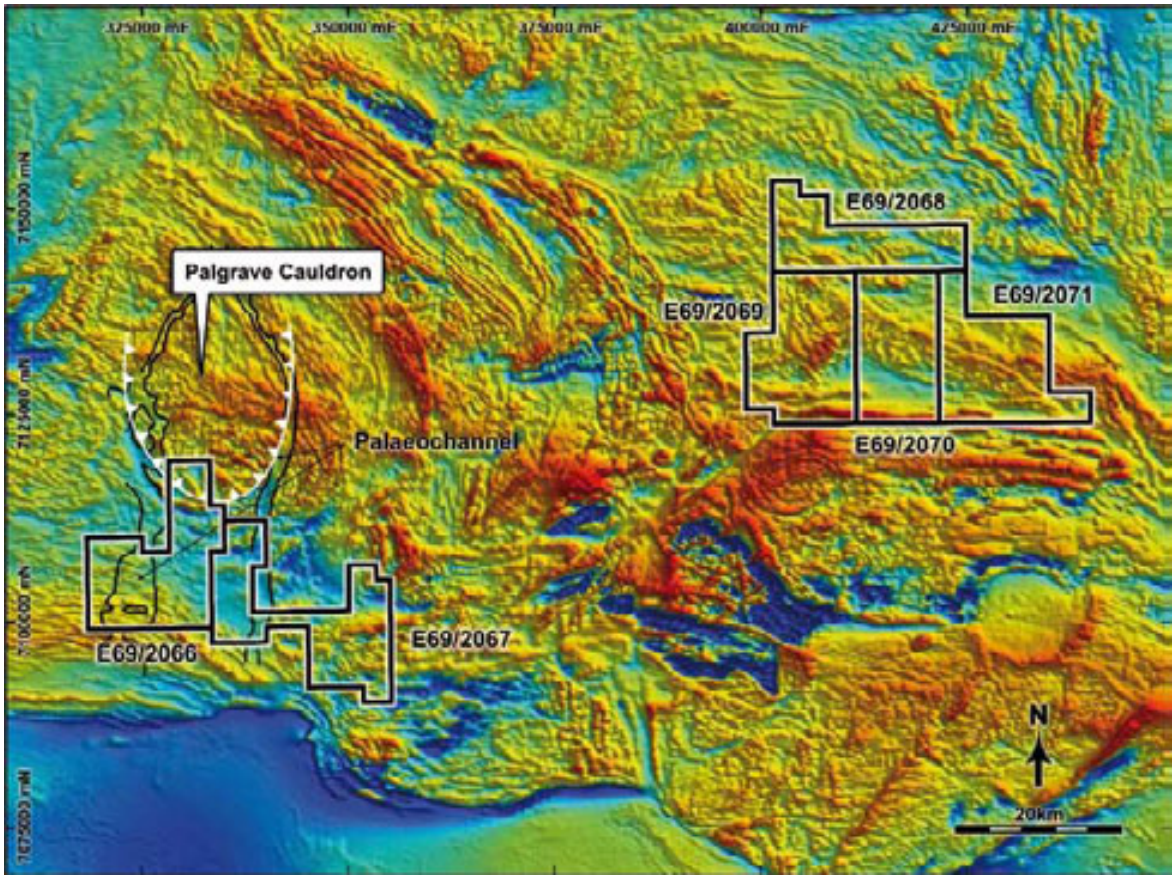


Figure 10: West Musgrave Project – regional Total Magnetic Intensity setting

Gold was located at the Scott joint venture, some 50km north of the Jamieson Aboriginal community. The tenements covered rocks of the Jamieson Range troctolite intrusive, and the Palgrave Cauldron within the Western Musgrave Complex. Work completed comprised soil and lag sampling, geophysical data interpretation and rock chip sampling. The soil sampling returned no significant results. The lag program gave a peak of 720 ppm Cu and 310 ppm Ni. The majority of the rock chip samples were collected from an outcropping portion of the troctolite intrusive. Coarse chalcopyrite was identified in hand specimen, and this sample returned 920 ppm Cu, 400 ppm Ni.

Exploration by WMC within the Beadell Handpump Prospect identified a significant lag (soil) gold anomaly. Covering an area over 1.2km long and 400m wide, the anomaly is in a sand covered area flanking a low hill slope to the east. A maximum result of 250ppb Au was found in this location.

The hill slope exposes a 300m wide zone of a hydrothermal quartz breccia trending west-northwest within a glassy, porphyritic felsic intrusive. Potentially, this is a focus of a more complex breccias occurring under the lag anomaly - beneath the sand. This anomaly has not yet been drilled.

4.5 Gold Exploration Potential

Potential hosts for gold mineralisation occur in the Lower and Middle Proterozoic metamorphics and the lower parts of the overlying Upper Proterozoic sediments. The favoured target lithologies here are the volcanics and high level granite intrusions of the Middle Proterozoic Palgrave collapse cauldrons.

The gravity image in Figure 8 shows a very prominent gravity high below the cauldron subsidence areas. This is interpreted as a “mantle bump”. Such bumps are regional heat centres which are associated with crustal volcanic activity, co-magmatic intrusions and hydrothermal activity. Such activity provides the host lithologies, alterations and mineralising processes that will deposit gold/copper and other mineralisation.

Exploration targets can be broadly classified as relating to either IOCG associated deposit models or caldera related vein/epithermal styles as described in Section 3. Examples of IOCG deposits include the giant Olympic Dam in the Gawler Craton of South Australia or the Cloncurry Belt of Queensland such as the Starra, Ernest Henry and Osborne deposits.

Vein/epithermal style deposits are sometimes associated with caldera structures and associated ring dykes. The regional TMI aeromagnetic image in Figure 10 clearly shows arcuate magnetic ring fractures, probable ring dykes within the Handpump Prospect area as well as a subsurface granitoid just to the north.

4.6 Uranium Exploration Potential

Aeromagnetics and radiometrics clearly show two distinct palaeochannels draining south through the Handpump tenements, from the Palgrave Cauldron felsic volcanics and granites. The eastern channel is well defined by the magnetic image shown above in Figure 10 and is up to 2.5km wide. The western channel is more diffuse and is up to 5km wide and has surface calcretes mapped over the channel. The ternary radiometric image as seen in Figure 11 displays elevated uranium responses over these channels. Area 7 also contains the headwaters of a diffuse palaeochannel.

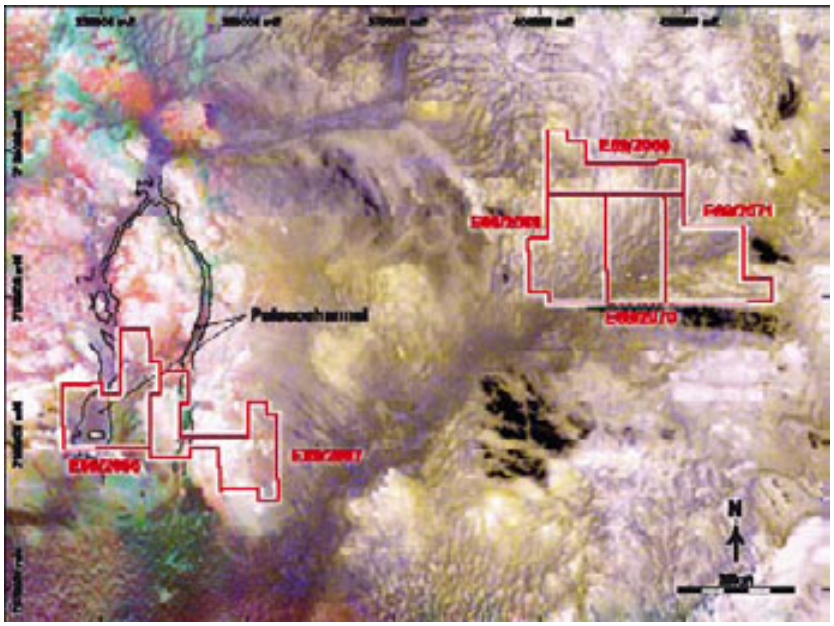


Figure 11: West Musgrave Project - Ternary Radiometrics (KThU)

These channels present excellent targets for conventional roll front style uranium deposits and surficial calcrete style deposits.

4.7 Proposed Programme and Expenditure

Potential gold and uranium mineralisation means that passive remote investigations, followed by detailed surface and subsurface testing are necessary to thoroughly explore the potential of this project.

Following completion of a land access agreement and heritage survey the initial phase of exploration will involve detailed drilling of the Handpump Prospect gold anomaly which is the main target within the West Musgrave Project.

Mapping, prospecting and scintillometer surveys of the outcropping lithologies and radiometric anomalies are also recommended to assess the uranium potential in the project. Target areas determined from the first year reconnaissance work should then be tested by lag sampling if lag is available and RAB drilling traverses (approximately 2,500m) for geochemistry and bedrock mapping.

The palaeochannels would be tested by RAB or aircore drilling traverses to test for surficial enrichment and map the redox facies within the channels. The results of the RAB drilling should then determine the location of reverse circulation drill holes both for mineralisation and stratigraphy.

Proposed expenditure for Year 1 is $325,000 followed by $348,000 in Year 2.

5 Lake Mackay Project – Western Australia

5.1 Introduction

The Lake Mackay Project lies on the Western Australia/Northern Territory border 300km south of Balgo and 450kms north of Warburton.

Access is extremely difficult. The most likely is from Warburton via 4WD along the Gunbarrel Highway and then north near the border.

5.2 Mineral Title and Land Status

The Lake Mackay Project is located in two separate groups, the Dwarf Well Prospect in the northwest and Mt Webb Prospect in the southwest. All the exploration licences are applications and should be granted in the near future.

Mt Webb Prospect (ELA 80/3822) – 443km^2
Dwarf Well Prospect (ELA 80/3820-3821, 80/3823) – 1,087km^2

The Lake Mackay Project is located within Native Title Determined Lands overseen by the Ngaanyatjarra Land Council (NLC). A Land Access Agreement has been signed with the Tjamu Tjamu group, allowing exploration to commence immediately after the agreement is assigned to Beadell and the exploration licence applications are granted.

5.3 Geological Setting

5.3.1 Regional

Palaeoproterozoic rocks of the Arunta Complex form low ridges and undulating terrain which is commonly capped by laterite. The rocks are metamorphic and Lower Proterozoic in age but have been mapped as Archean in the past. Comprised mostly of schists, the Arunta complex is regionally metamorphosed to greenschist facies. Most of the schists are metamorphosed greywacke, siltstone and quartzite, modified locally by thermal metamorphism associated with granitic intrusions.

The Mesoproterozoic Pollock Hills Formation is unconformable to the Arunta Complex. The formation consists of acid volcanics (mainly porphyritic acid lava). Highly altered, flour-banded and brecciated lava is overlain by sandstone or less commonly by agglomerate or lapilli tuff. The Pollock Hills Formation is intruded by the high level, comagmatic Mount Webb Granite.

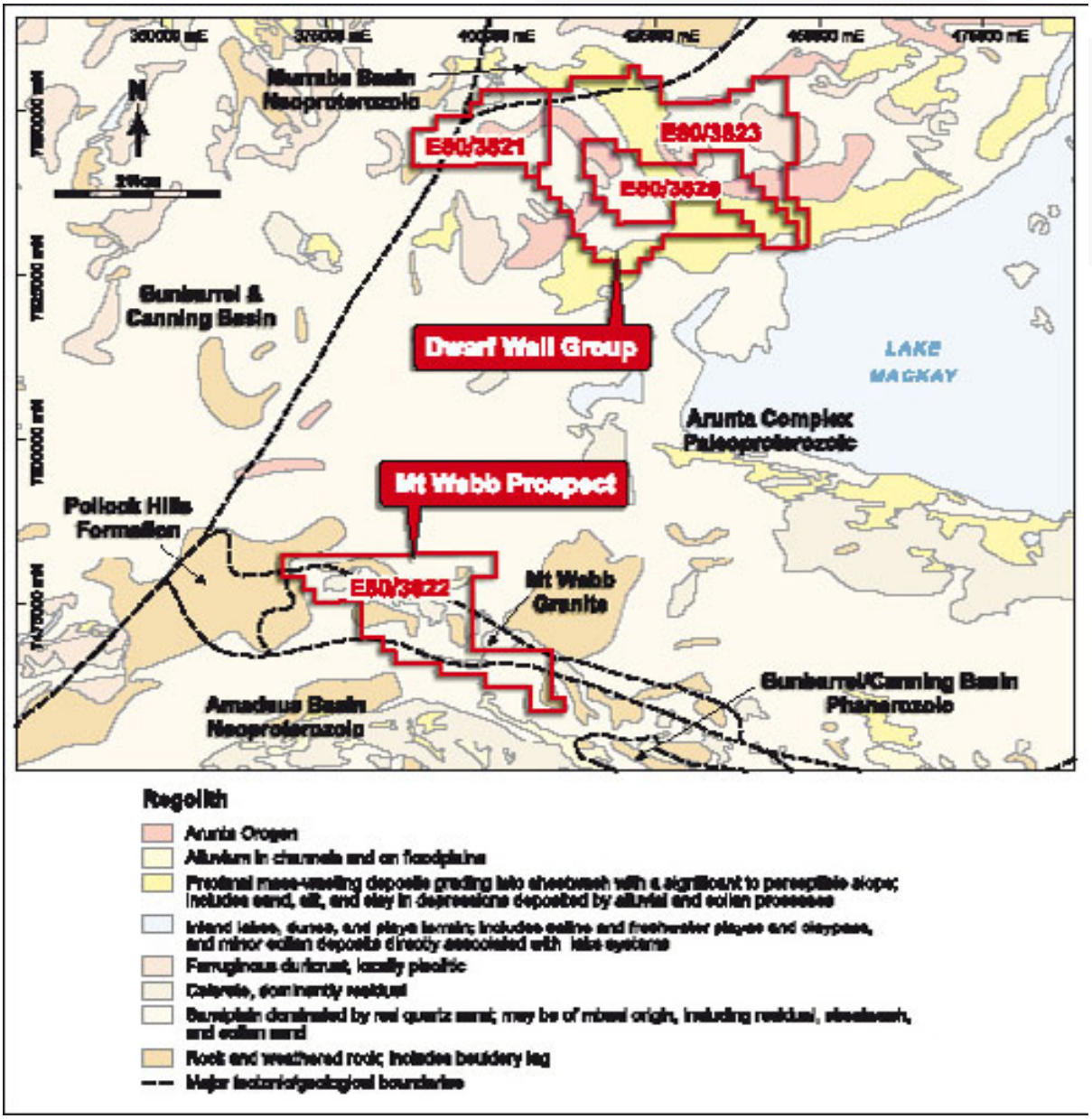


Figure 12: Lake Mackay Project - regional setting of regolith outcrop and tectonic boundaries

The Neoproterozoic Heavitree Quartzite is the basal formation of the Amadeus Basin sequence, and crops out in the south and west. The main outcrop area is in the Pollock Hills area, where formation is about 500m thick. Bitter Springs Formation is crystalline limestone and dolomite that overlie the Heavitree Quartzite.

Most of the area is covered by Cainozoic sediments. Calcrete, commonly with some associated chalcedonic silica, is developed on carbonates of the Bitter Springs Formation and along former drainage channels and in old lake beds.

The presence of a major granite-related alteration system has been confirmed in the western Mount Webb region. According to the new petrological, geochemical, and geochronological date from the Mount Webb Granite and its comagmatic felsic volcanics in the Pollock Hills Formation, this magmatic system has many similarities to granites in other Australian Proterozoic regions where hydrothermal Cu and or Au deposits have been linked to magmatic sources (e.g., eastern Mount Isa Inlier, Gawler Craton).

The interpretation suggested that the Mount Webb Granite region potentially has primary and alteration characteristics similar to granites of the metallogenically important Williams Batholith (eastern Mount Isa Inlier) and Hiltaba Suite (Gawler Craton), both of which are closely associated with Cu-Au mineralisation.

Quartz veins carrying sulphides are more prominent in the areas of sericitic alteration, where the granite also tends to be more brecciated and bears tourmaline and fluorite. The sulphides are mainly pyrite, though galena was observed in one sample with 1800 ppm Pb, and another sample has 145 ppm Mo.

5.3.2 Local

The local setting in the Dwarf Well Group shows the Neoproterozoic Murraba Basin comprising sandstones, conglomerates, cherts and some limestones unconformably on laps the Palaeoproterozoic Arunta Complex in the north of the project. The Arunta Complex is mostly schists and quartzites. Granite intrusives within this are potentially equivalent to the Mesoproterozoic Mt Webb Granite to the south.

Outcrop is scarce and most of the project is covered by Quaternary sands and gravels. Tertiary laterites outcrop above the sands.

The TMI magnetic setting in the Dwarf Well Prospect shown on Figure 13 demonstrates the presence of a magnetic dome and magnetic units that appear to be coincident with weak gravity highs that present possible IOCG targets.

The Neoproterozoic Amadeus Basin comprising the Heavitree Quartzite and the Bitter Springs Formation unconformably on laps the Mesoproterozoic Pollock Hills Formation in the west and the Palaeoproterozoic Arunta Complex in the north and south.

The Mt Webb Prospect is set within the high level Mt Webb Granite suite that intrudes the Pollock Hills Formation and the Arunta Complex providing targets for IOCG related copper gold mineralisation. A recent gravity survey completed by the Geological Survey of Western Australia has highlighted a large circular gravity low immediately east of the project interpreted to represent a large deep magmatic source zone to the surface volcanic and magmatic rocks within the tenement

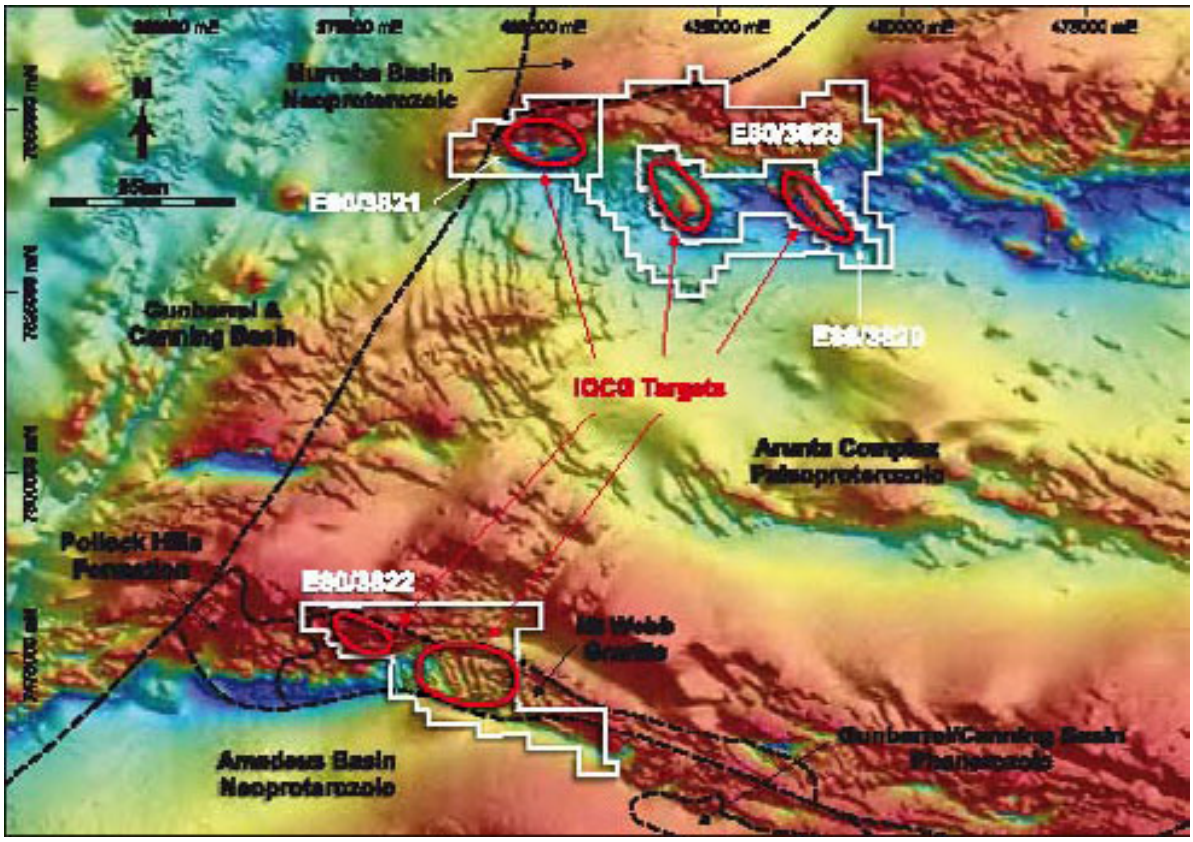


Figure 13: Lake Mackay Project – regional Total Magnetic Intensity setting

5.4 Exploration History

BHP Billiton Ltd was granted three exploration licenses in 1996. The target was IOCG mineralisation of the Olympic Dam type related to the Mid-Proterozoic Mount Webb granite.

An aeromagnetic survey was flown and geophysical interpretation completed. Work completed during 1996 to 1997 comprised negotiating Aboriginal access agreements, and the interpretation of airborne magnetic data. During 1998 to 1999, work completed on the project comprised collection of ground magnetic, gravity and EM sounding data. A large gravity high anomaly was identified to be tested further.

Due to the stalling of ground access negotiations, two exploration licenses were surrendered and only the ground containing the gravity anomaly was retained.

A ground magnetic traverse across the gravity anomaly indicated a very weak anomaly. Drill testing was recommended, however no further work was completed and the tenement was surrendered.

WMC held ground from 1997 to 1998 targeting gold on the northwestern shoreline of Lake MacKay. No exploration was carried out because access to the ground was not secured. The tenements were relinquished.

5.5 Gold and Uranium Exploration Potential

Recent work by GA suggests the possibility of IOCG and associated uranium type targets in the basement lithologies of the Mt Webb area.

Although the present results are preliminary, the primary and alteration geochemistry of the felsic magmas of the Mount Webb region resemble those of other Proterozoic IOCG mineralised areas in the Eastern Mt Isa – Cloncurry district and the Gawler Craton. There is evidence of extensive magmatic alteration (sodic-calcic and sericitic) at some localities, particularly within the more felsic varieties of the granite. Within the sericite-altered granites, fluorite, tourmaline, and sulphides are common accessories, and some of the samples have anomalous F, Cu, and S. Cross-cutting veins have elevated Mo and Pb values. There is also evidence of metasomatic alteration of the adjacent country rock.

A number of local spot uranium anomalies are both within the interpreted Mt Webb Granite terrane and in the overlying Neoproterozoic Heavitree Quartzite as shown on Figure 14.

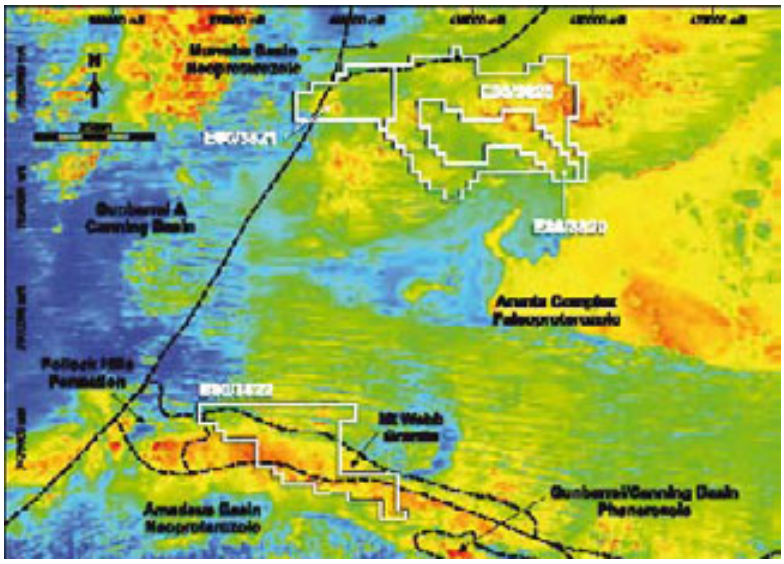


Figure 14: Lake Mackay Project - uranium radiometrics

There is a domal type magnetic anomaly within the layered Arunta Complex in the Dwarf Well Prospect. This may relate to a buried high level granite intrusive similar to the Mt Webb granite. This provides a potential IOCG target. The more layered magnetic anomaly to the east may also be due to metasomatic magnetite and also have potential for IOCG type mineralisation. Three coincident magnetic and gravity anomalies potentially representing Mesoproterozoic aged intrusive rocks have been identified as IOCG targets and will form the focus of initial exploration activities in the area.

There are scattered groups of uranium spot highs throughout the group. However, these may be due to surficial enrichment in laterites.

5.6 Proposed Programme and Expenditure

Potential gold and uranium mineralisation means that passive remote investigations, followed by detailed surface and subsurface testing are necessary to thoroughly explore the potential of the project.

A detailed airborne magnetic and radiometric survey preferably at 100m line spacing should be flown followed by detailed processing and interpretation. The interpretation would be focused on identifying magnetic anomalies in the potential host lithologies that may represent IOCG mineralisation and confirming and detailing the existing magnetic IOCG targets at the Dwarf Well Prospect,as well as identifying lithological layering in the potential host lithologies. Identifying linear structures in the potential host lithologies and locating uranium gamma anomalies is also recommended.

Digital aerial photography and satellite images should be acquired and interpreted. This would assist in mapping the distribution of outcropping geology, litho-types and structure; recognising and mapping regolith types; and determining access.

Target areas determined from the above should then be tested by lag sampling if lag is available and RAB or aircore drilling traverses for geochemistry and bedrock mapping. The results of the RAB drilling should then determine the location of reverse circulation drill holes both for mineralisation and stratigraphy.

Proposed expenditure for Year 1 is $429,000 followed by $399,000 in Year 2.

6 Reedy Creek Project – Victoria

6.1 Introduction

The Reedy Creek Project targets several northeast trending dykes known as the Clonbinane, Leviathan, Tonstals, Aftermath and Harry's dykes. Extensive historical workings in the area have recorded small tonnage but high-grade workings that have exploited little of the hard rock deposit potential.

Access to the Reedy Creek Project is via the Hume Highway approximately 70km north of Melbourne. Paved and graded roads are easily accessible within the tenement bounds.

A majority of the project is located within the easily accessible State Forest which is surrounded by agricultural farming properties.

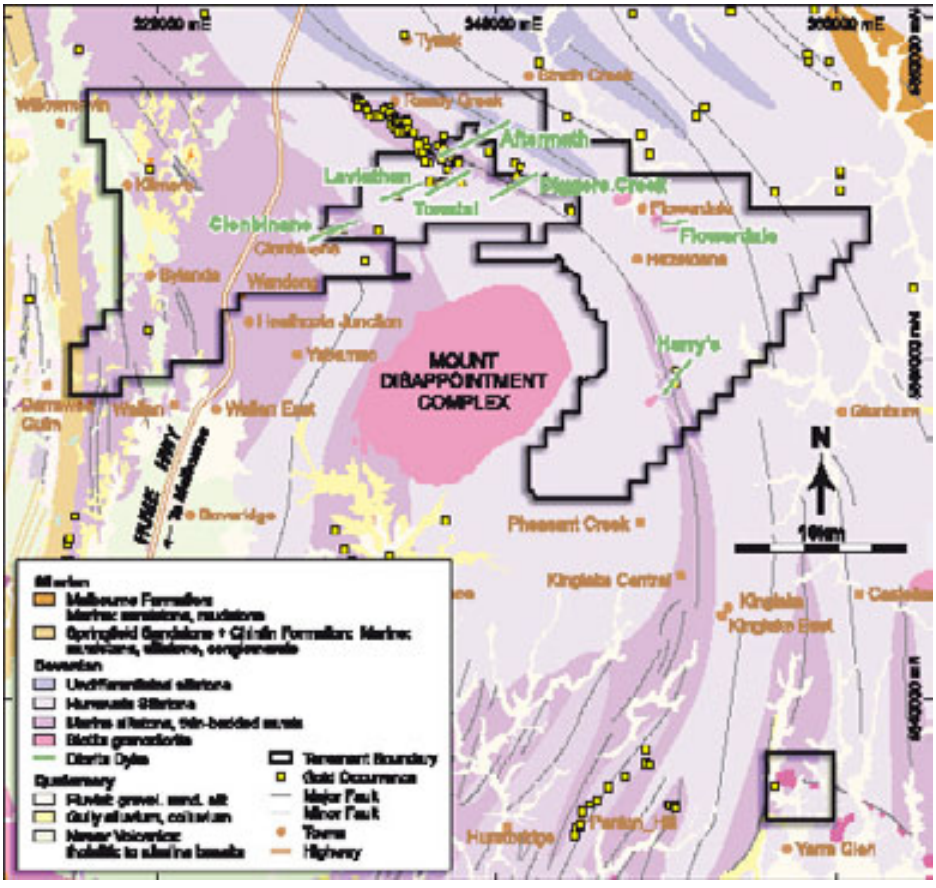


Figure 15: Reedy Creek Project - location and regional geology

6.2 Mineral Title Status

The Reedy Creek Prospect comprises two principle exploration licences EL 4460 (65km^2 granted) and EL 4987 (500km^2 pending) that cover an area of 565km^2 in north central Victoria. To the south, EL 5072 (16km^2 pending) is known as the Steele's Creek Prospect is included with this project description.

6.3 Geological Setting

6.3.1 Regional

Located within the central western part of the Melbourne Zone of the Lachlan Fold Belt, the Reedy Creek region consist primarily of marine siltstones and minor sandstones of Silurian to Early Devonian age. These Siluro-Devonian tubidites are ductiley deformed and regionally metamorphosed to greenschist and sub-greenschist grade. East-West compressional deformation during the Early-Mid Devonian created NNW trending open folds in which the Reedy Creek Goldfield is located. These regional scale folds demonstrate some degree of flexure, presumably in response to the intrusion of Late Devonian granites. Narrow diorite dykes crosscut the sediments in a ENE trend. Limited basalt outliers of Miocene Age are also found within the tenement bounds.

The Melbourne Zone is bounded on its western side by the Heathcote Fault Zone, and to the east by the irregularly defined Mt Wellington Fault Zone. Both of these fault zones contain fault bounded blocks of Cambrian greenstones indicative of underlying stratigraphy. The Silurian to Mid Devonian quartz turbidites conformably overlying Mid to Late Ordovician black slates that dominate the Melbourne Zone.

There are two distinct types of gold mineralising events in Victoria being the Bendigo/Ballarat quartz saddle reef style mineralisation which occurred around 420Ma and the later Fosterville gold / antimony disseminated and shear style mineralisation that formed in a late orogenic event at about 400Ma-380Ma. The principal styles of gold mineralisation within the Melbourne Zone include sediment hosted eg Nagambie and Costerfield and dyke hosted eg Woods Point and Walhalla.

6.3.2 Local

The Reedy Creek Goldfield comprises both alluvial and reef deposits associated with the axial zone of a NNW trending domal anticline (Reedy Creek Anticline). Mineralisation is hosted within the Silurio-Devionian sediments in the Bendigo style, high grade saddle reefs.

Gold and antimony mineralisation at Clonbinane is hosted by NE trending quartz diorite dyke sets, indicative of a major cross structure syn or post regional folding.

Mt Disappointment Granodiorite, Flowerdale and King Parrot are the major igneous complexes that intrude the region ca 370Ma. Sediment hosted gold/antimony mineralisation is considered to be related to these nearby high-level granitic intrusives.

6.4 Exploration History

Reedy Creek has had an extensive exploration history dating back to the 1850's. Small scale mining in the Reedy Creek Goldfield was undertaken for alluvial and reef deposits up until the turn of the century. Nuggetty Gully was particularly rich and yielded several nuggets, the largest weighing over 4kg. Total production is reported at 41,000 oz of gold grading an estimated 35g/t (Hughes,2003). One reef system, Langridge-Crown-Doyles, produced 27,000 oz of gold at a grade of almost 3 ounces per tonne to a depth of 180m.

Eastern Prospectors Pty Ltd, surveyed the Clonbinane prospect in 1967 conducting soil, rock chip, and trench sampling as well as ground magnetics, resistivity, spontaneous-polarisation (SP) and IP ground geophysical surveys. Five diamond drill holes achieved a best intersection of 1.5m at 7.65g/t Au and 5.1% Sb from 60.7m in EPC1.

CRA Exploration Pty Ltd further explored the Clonbinane area in 1982-1983. Two main quartz diorite dykes were investigated; the Golden Dyke (Apollo workings) and the Leviathan, Tonstals Dyke. Work completed included soil sampling and extensive trench, power auger and rock chip sampling. At the Apollo workings, a 16m continuous channel sample returned a grade of 1.8g/t Au, including 4m at 6.3g/t Au. A 150m trench was excavated along the strike of the Golden Dyke to sample the orthogonal array of quartz/stibnite veins. These veins vary in width from a few mm up to approximately 4m across. Best results from trench sampling were 20m at 1.6g/t Au.

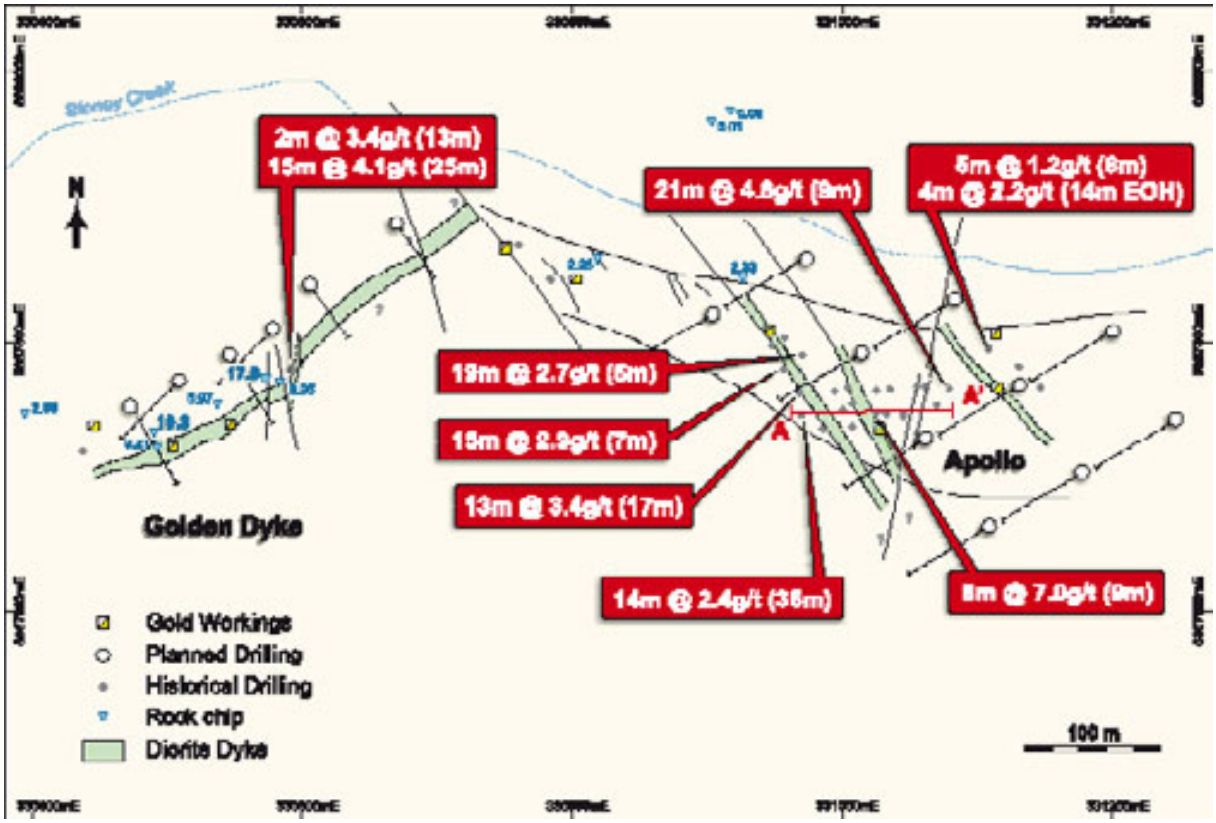


Figure 16: Reedy Creek Project - Clonbinane: Golden Dyke and Apollo workings with planned RC drilling

In 1986, Ausminde was granted the tenement over the Reedy Creek Goldfield and Clonbinane, but concentrated its work at Clonbinane on Golden Dyke, Apollo, Leviathan-Tonstals Dykes. Ausminde's completed soil and rock chip sampling and undertook RC drilling in 1993 at the Apollo area of the Clonbinane.

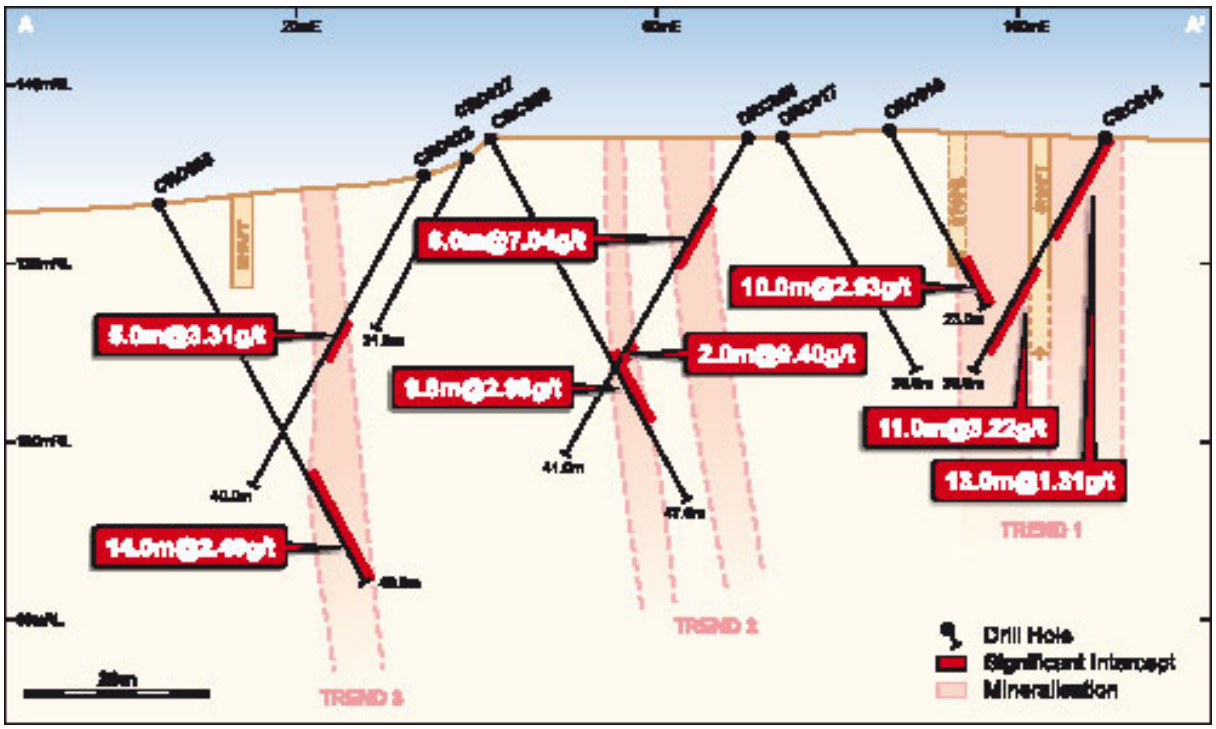


Figure 17: Reedy Creek Project – RC drilling cross-section at Apollo

Significant oxide mineralisation was delineated in the top 30-40m giving way to a deeper primary gold and stibnite mineralisation which is open at depth.

Table 2: Apollo/Golden Dyke RC drilling intercepts (after Ausminde 1993).

Hole Id	From	To	Metres	Gold g/t
CRC001	6	11	5	1.2
CRC001	14	18	4	2.3
CRC005	35	49	14	2.4
CRC006	17	30	13	3.4
CRC007	7	22	15	2.9
CRC013	9	30	21	4.8
CRC014	0	13	13	1.3
CRC014	17	28	11	3.2
CRC020	13	15	2	3.4
CRC020	25	40	15	4.1
CRC026	9	17	8	7
CRC026	27	29	2	9.4
CRC028	6	25	19	2.7

BHP acquired the area on the NE margin of the Mt Disappointment Granodiorite in 1985. Six magnetic anomalies were investigated by soil and rock chip sampling along roads and tracks. The main focus was at Mt Robertson to the SE of the project area. At Mt Robertson (Anomaly K), BHP sampled the historic Big Ben gold/antimony workings, which are adjacent to Harry's dyke. Big Ben is a 4m wide discordant fissure of brecciated siltstone, with some vein quartz and intrusive felsic dykes. Based on channel sampling, BHP concluded that the average grade was 1.4g/t Au, although assays ranged from 0.08 to 6.0g/t Au. Soil sampling results suggested the likelihood for several parallel lode repetitions within 100m to the east. BHP reports a soil value of 0.6ppm Au and 460ppm As from this locality.

The Steele's Creek Prospect area hosts gold and antimony mineralisation associated with a felsic intrusive stock of Siluro-Devonian age. Three diamond holes were drilled by Alpha Minerals NL in the late 1960's recording broad zones of gold and antimony mineralisation within a quartz porphyry intrusive interpreted to be 1,000m long by 700m wide.

6.5 Gold Exploration Potential

Previous work has demonstrated significant gold grades and widths associated with the reef structures in the goldfield however depth potential remains highly underexplored. The quartz reef style mineralisation is mostly confined to Silurian host rocks in the core of the Reedy Creek Anticline, and most have a strike parallel to the axis. The association of gold mineralisation and the axes of major domal anticlines is a common feature of the Victorian goldfields.

The high-grade/low tonnage deposits were of most interest to the early miners who could only extract coarse-grained gold using gravity methods (Edwards 1997). The reefs mined are thin (rarely exceeding 1.5m) but are associated with lower grade (9-22g/t Au) breccia zones up to 5m wide (based on old stope widths). Modern technology now enables disseminated fine-grained gold to be treated and it is interesting to note that the Langridge reef system also produced quantities of low-grade ore from breccia zones which are an important component of bulk ores. Similar mineralisation is reported from other workings in the field.

A strike length of some 15km of the Reedy Creek Anticline, cored by Silurian sediments, represents a principal target zone for structurally controlled hard rock gold deposits within the project area. Extensions of this axial zone beneath shallow cover and overlying Mid Devonian rocks add another 10km strike of potentially prospective terrain.

Initial exploration at Reedy Creek will be focussed on the dyke hosted gold and antimony mineralisation,. Numerous diorite dyke associated gold and antimony targets exists over a 7km strike forming a ring dyke feature around the Mt Disappointment granite. Targets include the Clonbinane, Leviathan, Tonstal's, Aftermath and Harry's dyke This mineralisation is considered prospective for open pit, bulk tonnage suitable for modern day mining methods.

Previous shallow RC drilling in the Clonbinane area intersected economic type drill intersections including 8m @ 7.0g/t gold from 9m depth, 21m @ 4.8g/t gold from 9m and 15m @ 4.1g/t gold from 25m hosted by steeply dipping multiple shear and vein hosted mineralisation. Potential exists to extend the mineralisation at depth and along strike.

The Steele's Creek Prospect area located further to the south also has gold and antimony mineralisation potential associated with a felsic intrusive stock.

6.6 Proposed Programme and Expenditure

The proposed work program is to conduct an assessment of all existing geochemical and drill data, acquisition and assessment of existing airborne aeromagnetic and other geophysical survey data, followed by a detailed structural and lithological interpretation.

Reconnaissance scale stream sediment and soil sampling programs, with follow up infill sampling will be undertaken as required.

A Reverse Circulation (RC) drilling program is planned to test strike and depth extensions of the Golden Dyke Apollo region. The initial program comprises approximately 2,500m of RC Drilling in 21 holes. The drilling will commence as soon as a suitable drill rig is available and is expected to take three weeks to complete. It is envisaged that this will be followed up by approximately 4,000m of RC drilling in Year 2.

Proposed expenditure for Year 1 is $502,000 followed by $534,000 in Year 2.

7 Lake Torrens Project – South Australia

7.1 Introduction

The exploration licences are located on the south western part of Lake Torrens.

The tenements are located on the south western part of Lake Torrens, 20km east and 60km south of the Carapateena copper gold discovery by RMG Services Pty Ltd, within the NW trending Olympic Dam corridor. Joint Venture Partners at Carapateena, Teck Cominco Australia Ltd recently announced a drill result of 905m @ 2.1% Cu and 1g/t gold.

Access is from Stuart Highway, approximately 80kms north of Port Augusta.

7.2 Mineral Title and Land Status

The Lake Torrens Project is held as Exploration Licences EL3489 and EL3823 over an area of 968km^2 in two separate areas.

A majority of the Lake Torrens Project is located in the Lake Torrens National Park characterised by a large predominantly dry ephemeral salt lake system. Proclaimed under the National Parks and Wildlife Act 1972, exploration and mining is allowable under the Act subject to conditions..

Before commencing on ground exploration Beadell will need negotiate a Native Title Agreement with the Native Title Claimants that exists over the Lake Torrens Project and complete a Declaration of Environmental Factors (DEF) report. Beadell is currently completing the DEF study to allow a gravity survey to proceed.

7.3 Geological Setting

7.3.1 Regional

Regionally, the project area sits on Neoproterozoic sediments of the Stuart Shelf, (Figure 19) which unconformably overlie the Gawler Craton. The Stuart Shelf sediments thin to the west where they on-lap the Gawler Range Volcanics and the Hiltaba Granite suite which hosts the Olympic Dam deposit. To the east they thicken rapidly at the Torrens Hinge Zone. The hinge zone was active during the Palaeoproterozoic forming the western boundary of the Adelaide Geosyncline.
Figure 18 below shows the regional magnetic setting of the project area in relation to Olympic Dam Mine and the newly discovered Carapateena deposit.

The project falls within the prospective northwest striking Olympic Dam corridor, which as well as hosting the Carapateena discovery also contains the Prominent Hill deposit further northwest. Potential for further copper gold discoveries along the Olympic Dam trend is considered high with widespread copper gold mineralisation and alteration having recently been recorded in other drilling by Monax Mining Ltd south of Carapateena.

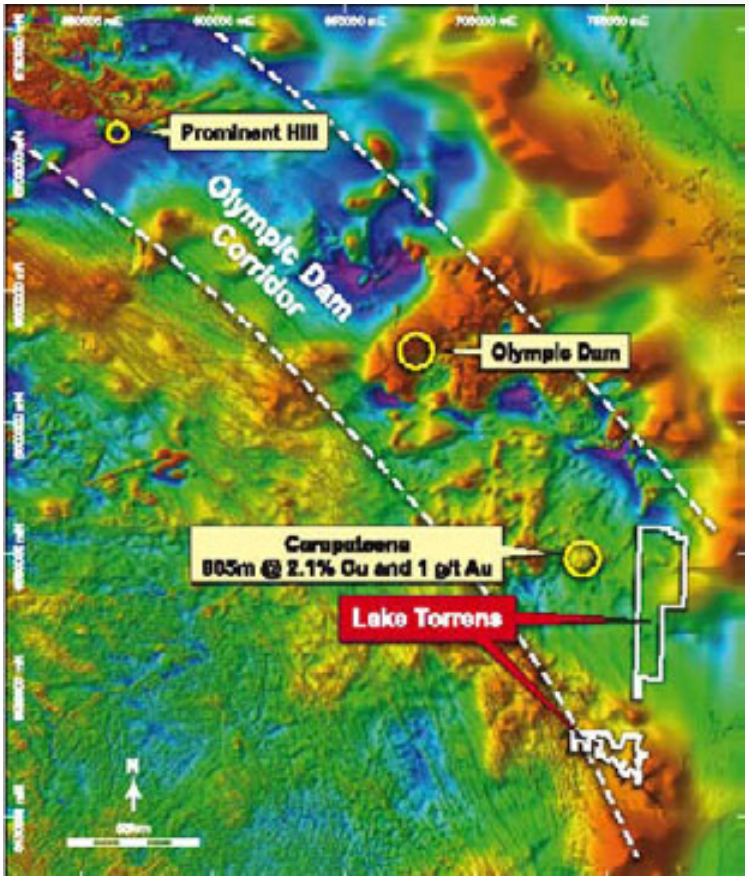


Figure 18: Lake Torrens Project - regional magnetic setting

**The Carapateena deposit is not located in the Lake Torrens Project*

7.3.2 Local

The tenement area is covered by Quaternary playa lake sediments. This overlies a thick stratigraphic sequence of Neoproterozoic sediments starting with the Wilpena Group as shown in Figure 19. The western bank of the lake has outcropping Neoproterozoic quartzites and shale. The eastern bank is windblown sand cover.

Both tenements appear to straddle the Torrens Hinge Zone. The basement below this is expected to contain the Gawler range Volcanics and the Hiltaba granitic suite at an unknown depth, however likely to be in excess of 400m.

The gravity image in Figure 20 shows both the northern part and the southern part are over rising gravity highs of interest. The total magnetic intensity image in Figure 18 shows the southern portion in a magnetically active belt within a well developed, northwest structural fabric, which is reflecting the Mesoproterozoic basement. This is useful in determining (IOCG) deep drilling targets.

7.4 Exploration History

The region known as the Iron Oxide Copper Gold Uranium (IOCGU) belt is a very active exploration province of Australia.

Within EL3489, there is no deep drilling within the northern portion of the exploration licence but a number of holes have been drilled in the Southern Portion. The main explorers were Delhi Petroleum.

Historical stratigraphic drilling occurred in and near the southern part of the project area. The results are summarised on Figure 20. The Mesoproterozoic basement was penetrated in several deep holes towards the west of the area, the shallowest being 750m. The basement appears to be shallowing in this direction as suggested by the aeromagnetics. The basement lithologies are mostly tuffs and lavas probably belonging to the Gawler Range Volcanics.

7.5 Exploration Potential

The predominant mineralisation model for the basement is that of the Olympic Dam Iron Oxide Copper Gold Uranium (IOCGU) style.

The most explorable area is in the western part of the southern portion where the basement targets are at not as deep and lithologies appears to be at least in part, the Gawler Range Volcanics. The northwest striking basement fabric is clear on the aeromagnetics here.

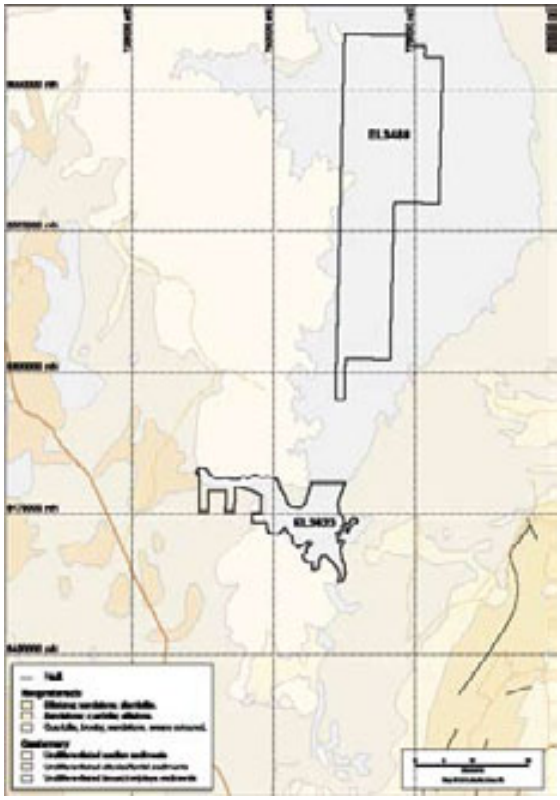


Figure 19: Lake Torrens Project - geological setting stratigraphic

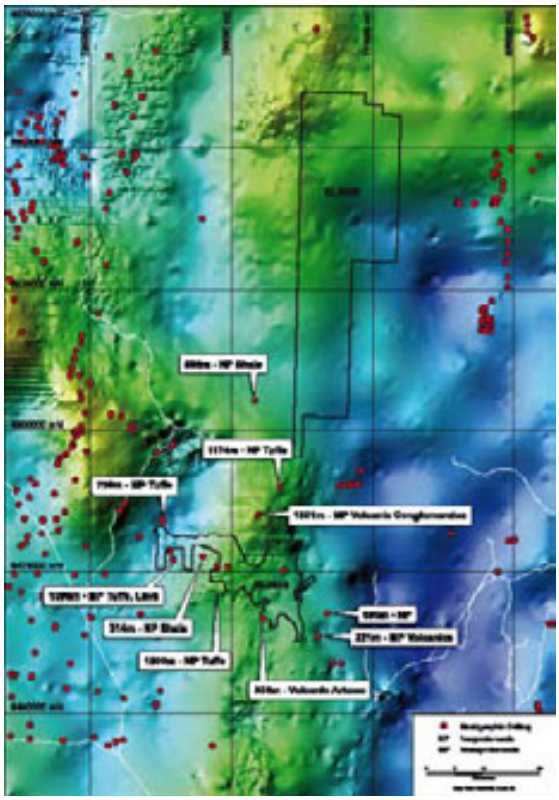


Figure 20: Lake Torrens Project - regional gravity with drillholes and geological intercepts

7.6 Proposed Programme and Expenditure

Before commencing on ground exploration Beadell will need negotiate a Native Title Agreement with the Native Title Claimants that exists over the Lake Torrens Project and complete a Declaration of Environmental Factors (DEF) report. Beadell is currently completing the DEF study for a gravity survey. Drill testing of geophysical anomalies will form the second phase of exploration within the project

Copper gold and uranium targets of the IOCGU type may exist in the Mesoproterozoic basement. This potential will be investigated by a detailed gravity survey followed by deep drilling of targets generated.

The planned exploration program will consist of detailed ground gravity survey to locate local gravity highs and diamond core drilling of the targets. Proposed expenditure for Year 1 is $229,000 followed by $329,000 in Year 2.

8 References

Daniels, J L, 1974. The geology of the Blackstone Region, Western Australia. Geological survey of Western Australia, Bulletin 123.

Edwards, J E, William, C E, McHaffie IW, Olshina A and Hutchinson D F, 1997, The geology and prospectivity of the Castlemaine, Woodend, Yea and part of Bacchus Marsh 1:100 000 map sheets. VIMP Report 51, NRE Victoria

Glikson A Y, Stewart A J, Ballhaus C G, Clarke G L, Feeken E H J, Leven J H, Sheraton J W.and Sun S-S, 1996. Geology of the western Musgrave Complex, central Australia, with particular reference to the mafic-ultramafic Giles Complex. Australian Geological Survey Organisation, Bulletin 239.

Heathgate 1988, Australia's Uranium Resources, Geology, and Development of Deposits. AGSO-Geoscience Australia Mineral Resources Report 1

Hitzman M W, 2001. Iron oxide Cu-Au deposits: what, where, when and why. In: Porter T M, (Ed.), Hydrothermal iron-oxide copper-gold and related ore deposits: A global perspective, Australian Mineral Foundation, Adelaide.

McKay, A.D. & Miezitis, Y., 2001. – Australia's Uranium Resources, Geology, and Development of Deposits. AGSO-Geoscience Australia Mineral Resources Report 1

Porter T M, 2001.. In: Hydrothermal iron-oxide copper-gold and related ore deposits: A global perspective, Australian Mineral Foundation, Adelaide.

Sillitoe R H and Bonham H F (JR.), 1984. Volcanic landforms and ore deposits. Economic

Uranium Information Centre Ltd Webb Site - uic.com.au

9 Glossary Of Terms

aeolian	deposited by wind, dune sands
Albany Fraser Province	southern and southwestern margin of the Yilgarn Craton, which includes the Albany Fraser Complex and Albany Fraser Orogen
Albany Fraser Orogen	linear belt of deformed and commonly demagnetised rocks on the southeastern margin of the Yilgarn Craton
alluvial	Sediment deposited by running water
alteration	Change in mineral and chemical composition of rock, commonly brought about by reactions to weathering or to hydrothermal solutions.
anomalous	A departure from the expected norm. In mineral exploration this term is generally applied to either geochemical or geophysical values higher or lower than the norm.
anomaly	An area where exploration has revealed results higher (or sometimes lower) than the local background level.
anticline	fold generally of inverted U-shape
antimony	silver white metal occuring as a native element
Archean	The oldest rocks of the Earth's crust - older than 2,400 million years.
basement	The igneous and metamorphic crust of the earth, underlying sedimentary deposits.
Basin	Extensional geological environment where generally sedimentary rocks have been deposited
breccia	Rock comprising angular fragments enclosed in a matrix.
Cainozoic	Earth history during the last 65Ma
calcrete	limestone precipitated as surface or near surface crusts caused by the evaporation of soil moisture
Cambrian	oldest rocks of the Palaeozoic Era over 85Ma beginning about 590Ma
cauldron	subsidence of a cylindrical block as a result of magmatic activity
chalcedonic	cryptocrystalline variety of silica
chalcopyrite	A common sulphide ore of copper, CuFeS2.
chert	A hard, extremely fine grained sedimentary rock consisting almost entirely of interlocking quartz crystals, of which flint is a dark variety.
comagmatic	regarded as being derived from a common parent magma
conglomerate	coarse grained clastic sedimentary rock

craton	Large, and usually ancient, stable mass of the earth's crust.
Cretaceous	The period of time extending from 136 to 64 m.y. ago.
crystalline	having a regular atomic or molecular structure but without developing crystal faces
Declaration of Environmental Factors	Report requiring approval by the Director of Mines pertaining to the environmental impact and management of intrusive exploration activities
Devonian	time interval of the Palaeozoic Era formed 410 to 360Ma
diamond drilling	Mineral exploration hole completed using a diamond set or diamond impregnated drill bit for retrieving a cylindrical core of rock.
diatreme	pipe like volcanic conduit formed within the earth crust
diorite	A dark, coarse grained intrusive igneous rock composed of feldspar and iron and magnesium rich minerals.
disseminated	Said of particles distributed finely and evenly throughout a matrix.
dolerite	A medium grained basic intrusive rock composed mainly of pyroxenes and sodium-calcium feldspar.
dyke	A tabular intrusion of igneous rock that cuts across the planar structure of the surrounding rock.
Eh	oxidation/reduction potential of an aqueous environment
Eocene	epoch of the Tertiary period
epithermal	deposits formed at shallow depths in the earth crust, generally within 1km of the surface
exhalative	deposits formed at the earths surface form exhaling volcanic or hydrothermal fluids
Fault Zone	A fracture or fracture zone, along which displacement of opposing sides has occurred.
felsite	Light colour rocks containing an abundance of any of the minerals feldspar, feldspathoid and silica.
flourite	halide mineral
folds	bend or buckle in rock due to deformation
fractionated	process by which an initially homogenous magma body splits into two or more daughter magmas of different composition
Fraser Complex	geological unit comprised of widespread intrusion of gabbro
g/t	Grams per tonne, a standard mass unit for demonstrating the concentration of precious metals in a rock, equivalent to parts per million (ppm).
galena	Lead sulphide with chemical composition PbS.
gamma	photons emitted by the nuclei of radioactive substances.
geochronological	measurement of time intervals of the geological past
Geosyncline	an elongate basin in which a thick sequence of sediments is deposited
gneiss	A metamorphic rock of coarse grain size, usually exhibiting banding.

granitoid	A general term to describe coarse grained felsic intrusive igneous rocks, resembling granite.
granodiorite	A coarse grained igneous rock containing quartz, plagioclase (sodium–calcium) feldspar and potassium feldspar with biotite, hornblende or pyroxene.
granulites	metamorphic rock of equal-sized, interlocking grains
greenschist facies	Conditions of metamorphism characterised by chlorite, epidote and/actinolite.
greenstone	A collective term for slightly altered mafic igneous rocks.
greywacke	coarse grained angular particles of quartz, feldspar and rock fragments embedded in a clay matrix that forms more than 15% of the rock
haematite	mineral oxide of iron, Fe2O3
Holocene	the most recent epoch of geological time, the upper Quaternary Period
hydrothermal	pertaining to heated water, to its action, or to products related to its actions
ignimbrite	pumiceous pyroclastic flow deposit or rock, poorly sorted.
interface	boundary separating the cover sequence from the basement rock
IP	Induced Polarisation, electrical geophysical method for detecting resistive and conductive units
JORC	The Joint Ore Reserves Committee (Australia).
Lachlan Fold Belt	large Paleozoic deformation zone
lag	residuum of coarse rock particles at the surface
Land Access Agreement	An agreement with the traditional Aboriginal owners for the purposes of conducting mineral exploration
laterite	soil residue of composed of secondary oxides of iron
lithology	A term pertaining to the general characteristics of rocks. It generally relates to descriptions based on hand sized specimens and outcrops rather than microscopic or chemical features.
Ma	Million Years
mafic	Pertaining to, or composed dominantly of, the dark coloured ferromagnesian rock forming silicates.
mafic volcanic	Volcanic rocks dominantly comprised of ferromagnesian minerals.
magnetite	strongly magnetic iron mineral Fe2O4
mantle bump	upwelling of the mantle zone below the Earth crust
Melbourne Zone	large land mass of Paleozoic rocks bounded by the Bendigo zone to the west and the Tabberabbera Zone to the east
Mesozoic	Era between 250 and 65Ma
metamorphism	The process of altering a rock by temperature and/or pressure.
metasomatic	metamorphic process whereby existing minerals are transformed into new minerals by the replacement of their chemical constituents
Miocene	epoch of the Tertiary period

Mo	Molybdenum
Native Title Agreement	An agreement binding members of the native title group, and all persons holding native title in relation to any of the land or waters in the area covered by the agreement, whether they were a party to the agreement or not.
Native Title Claimants	An application made by Indigenous people for a determination that native title exists in a particular area of land or waters
Native Title Determined Land	Reserve areas proclaimed under the Aboriginal Affairs Planning Authority Act for the Use and Benefit of the Aboriginal Inhabitants.
Ngaanyatjarra Land Council	a body incorporated pursuant to the provisions of the Aboriginal Councils and Associations Act 1975 (Cth) and the lessee of the Lands pursuant to various leases.
Ordovician	period of geological time between 505 and 440Ma
Orogen	linear or arcuate zone in the earth crust, characterised by deformed and metamorphosed rocks
oxide zone	Near surface material affected by weathering and leaching of minerals.
Palaeozoic	The era ranging from 600 to 230 m.y. ago.
paleochannel	old or ancient sedimentary channel
Pb	Lead
petrological	microscopic study of minerals and rocks
Phanerozoic	stratigraphic period in time from the Cambrian to the present
playa lake	shallow, recurring lake that covers a playa after rains, but disappears during dry periods
plutonic	massive boby of igneous rock formed beneath the surface of the earth
porphyritic	containing large crystals in a matrix of smaller crystals or glass
ppb	part per billion
ppm	part per million
Proterozoic	Between 2,500 million years and 542 million years ago. Divided into the Paleoproterozoic (2,500–1,600 m.y), Mesoproterozoic (1,600-1,000 m.y.) and Neoproterozoic (1,000 – 542 m.y.) periods.
pyrite	An iron sulphide mineral FeS2.
quartzite	A quartz-rich sandstone that has been metamorphosed or indurated by the recrystallisation of silica.
radiometric	data relating to the radioactivity emitted by rocks at or near the earth's surface
redox	boundary between oxidising and reducing fluids
regolith	rock at the near surface environment affected by chemical and physical weathering process
resistivity	resistance of rock to conduct electricity
reworked	rock of a certain age physically effected by subsequent geological periods
rhyolite	volcanic rock, extrusive equivalent of granite
ring dyke	dykes intruded as thin circular or arcuate bodies in the periphery of a cauldron or central magmatic body

saddle reef	mineral deposit found in the crest of an anticlinal fold following the bedding plans
sandstone	A sedimentary rock composed of cemented or compacted detrital minerals, principally quartz grains.
schist	A micaceous crystalline metamorphic rock having a foliated structure due to the recrystallisation of the constituent minerals.
scintillometer	instument that measures radiation by counting the individual scintilations emitted by a substance
sediment	A rock formed of particles which were deposited from suspension in water, wind or ice.
sericite	A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks.
shale	fine grained sedimentary rockformed by the compaction of clay and silt
shear zone	A zone in which shearing has occurred on a large scale, such that the rock is deformed dominantly by ductile deformation.
siltstone	A rock intermediate in character between shale and sandstone. Composed of silt sized grains.
Silurian	division of the Palaeozoic Era extending from 440 to 410Ma
skarn	contact metamorphic rock composed of calcium, magnesium and iron silicates
stibnite	antimony sulfide mineral, Sb2S3
stockwork	A network of (usually) quartz veinlets of varying orientation, produced during pervasive brittle fracture.
stratigraphy	aspect of the geology of an area that pertains to the character of the stratified rock
strike	The direction of bearing of a bed or layer of rock in the horizontal plane.
supergene	ores formed by processes that involve water descending from the surface
tectonic	relating to structures of or forces associated with tectonics
Tertiary	A period of geological time from 1.8 to 66 m.y. ago.
tuff	A rock composed of volcanic ash.
ultramafic	Referring to an igneous rock in which more than 90% of the minerals are ferromagnesium minerals, with only trace quartz and feldspar.
unconformaty	break in the sequence of strata in an area that represents a period of time during which no sediment was deposited
vein	A thin infill of a fissure or crack, commonly bearing quartz.
volcanic	Formed or derived from a volcano.
volcanoclastic	Sediments comprising rock fragments derived by explosion or eruption from a volcanic vent.

87 Colin Street West Perth WA 6005
PO Box 77 West Perth WA 6872
Telephone +61 8 9213 9213
Facsimile +61 8 9322 2576
perth@snowdengroup.com
www.snowdengroup.com

Perth, Brisbane, Vancouver, Johannesburg, London

20 July 2007

The Directors
Beadell Resources Limited
Level 2, 16 Ord St
WEST PERTH WA 6005

Dear Sirs

INDEPENDENT GEOLOGIST'S REPORT FOR THE TARTARUGA PROJECT, BRAZIL

At your request (agreement dated 7 June 2007) Snowden Mining Industry Consultants Pty Ltd ("Snowden") has prepared an Independent Geologist's Report on Beadell Resources Ltd's ("Beadell") Tartaruga Project in Amapá State, northern Brazil. It is our understanding that this report is to be included in a Prospectus to be lodged with the Australian Securities and Investments Commission ("ASIC") for a proposed listing of Beadell on the Australian Securites Exchange ("ASX"). The purpose of the Prospectus is to raise a total of A$15 million to fund the future assessment of Beadell's mineral tenements.

The Tartaruga Project comprises a single Mining Concession Title covering several small scale, moderate grade gold deposits within one of a series of highly prospective greenstone belts in Amapá State. The Mining Concession Title is currently the subject of an Agreement for the Assignment of Mineral Rights and Other Covenants with BrazMin Corp ("BrazMin") whereby Beadell may acquire 100% interest in the rights to the project.

The objective of this report is to: (1) provide an overview of the geological setting of the Tartaruga Project area and the associated mineralisation; (2) outline the historic exploration and mining work undertaken on the project; (3) present an overview of historic estimates for target gold mineralisation in the project area; (4) comment on the exploration potential of the project area; and (5) consider the appropriateness of the work programmes and budget proposed by Beadell.

Snowden has based its assessment of Beadell's Tartaruga Project on detailed discussions with the management of Beadell; review of technical information compiled by Beadell which includes data from previous tenement holders; as well as published technical documents and various company reports. Beadell has advised Snowden that there have been no material developments on its project on which to form an opinion over and above that presented in the technical information provided. On this basis, a field visit was not considered warranted. A listing of the documents referenced is provided at the end of this report. Consent has been sought from Beadell's representatives to include technical information and opinions expressed by them. None of the other entities referred to in this report have consented to their inclusion in this report and have only been referred to in the context of reporting material fact.

Snowden has based its findings upon information known to us as at 12 July 2007. Snowden has satisfied itself and Beadell has warranted that all material information in its possession has been fully disclosed to Snowden. Beadell has agreed to indemnify Snowden from any liability arising from its reliance upon information provided or from information not provided. A draft version of this report was provided to the directors of Beadell for comment in respect of omission and factual accuracy.

Snowden has prepared this report on the understanding that Beadell's mineral tenements are currently in good standing. Snowden has not attempted to establish the legal status of Beadell's tenements with respect to ownership, Native Title claims or potential environmental and access restrictions and is not qualified to make legal representations in this regard. Rather, we have relied upon information provided by Beadell. It is our understanding that the current ownership status and standing of the tenements has been the subject of independent legal verification.

The proposed exploration programmes developed by the management of Beadell and reviewed by Snowden have been designed to realise the potential of the project area in a prudent and efficient manner. Beadell's planned commitment of A$2.76 million to the exploration and evaluation of its Tartaruga Project over 2 years represents approximately 18% of the total

funds proposed to be raised after costs of the issue and administration. Snowden understands that the remainder of the Beadell's exploration budget will be spent on its Australian mineral assets.

Based on Snowden's assessment of the Tartaruga Project it is our opinion that the project is of merit and that the evaluation programmes proposed by Beadell have been carefully conceived and costed.

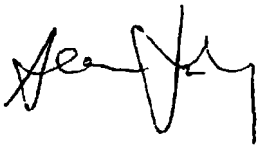
This report has been prepared by Mr Sean Helm (Principal Consultant) and reviewed by Mr J A J McKibben (Divisional Manager – Corporate Services) of Snowden's Perth office in accordance with the Code for the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports ("the VALMIN Code") and the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code").

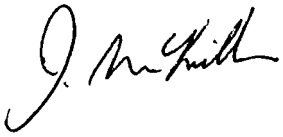
Snowden is an independent firm providing specialist mining industry consultancy services in the fields of geology, exploration, resource estimation, mining engineering, geotechnical engineering, risk assessment, mining information technology and corporate services. The company, with its principal office at 87 Colin Street, West Perth, Western Australia, also operates from offices in Brisbane, Johannesburg, Cape Town, Vancouver, London and Belo Horizonte, has prepared independent technical reports and valuations on a variety of mineral commodities in many countries.

Neither Snowden nor those involved in the preparation of this report have any material interest in Beadell or in the mineral properties considered in this report. Snowden is remunerated for this report by way of a professional fee determined in accordance to a standard schedule of rates which is not contingent on the outcome of this report.

Snowden has given and has not before lodgement of Beadell's Prospectus withdrawn its written consent to being named as author of this report and to the inclusion of this report in its Prospectus.

Yours faithfully





Mr S Helm
BSc, MAusIMM
Principal Consultant

Mr J A J McKibben
BSc (Hons), MBA, MAIG
Divisional Manager - Corporate Services

TABLE OF CONTENTS

LIST OF TABLES

LIST OF FIGURES

1. SUMMARY

Purpose and Ownership

Snowden Mining Industry Consultants Pty Ltd ("Snowden") has prepared an Independent Geologist's Report on Beadell Resources Ltd's ("Beadell") Tartaruga Project located in the Amapá State, northern Brazil. It is our understanding that this report will be included in a Prospectus for a proposed listing of Beadell on the Australian Securities Exchange ("ASX").

Beadell is an unlisted public resource company, incorporated in May 2007 and registered in Western Australia under company number ACN 125 222 291. Beadell has entered into an agreement to acquire the Tartaruga Project from Brazmin Ltda. ("Brazmin") upon listing on the ASX.

This report represents an independent expert's assessment of the geology and exploration potential of the Tartaruga Project area.

Assets, Location and Infrastructure

Beadell's principal asset in Brazil is a 100% interest in the Tartaruga Project located approximately 160 km north of Macapá in Amapá State, northern Brazil.

The Tartaruga Project contains four recognised gold deposits within a single Mining Concession Title which covers a total area of 9,601.89 ha. The township of Tartarugalzinho is located near the northern tenement boundary and provides good access to the project area. Tartarugalzinho has well developed infrastructure, power and other amenities making it a suitable base for exploration. The State capital, Macapá is also easily accessible via well formed, paved roads.

Project Geology and Mineralisation

The Tartaruga Project is located within one of several Paleoproterozoic-aged greenstone belts located in the southeastern portion of the Guyana Shield. The Guyana Shield is one of three crystalline shields that underlie approximately one-third of Brazil. Although the Guyana Shield covers an area of 900,000 km^2 and extends into the neighbouring countries of Venezuela, Guyana, Suriname and French Guiana the geological setting and economic significance have remained poorly understood until recently. This situation improved in the past two decades with the discovery of several shallow gold deposits in this region.

The Guyana Shield greenstone belts extend into Amapá State and are now recognised as hosting several of these gold deposits. The Amapá greenstone belts form part of the widely mineralised and regionally significant Vila Nova Group which consists of metavolcanic, amphibolite, metasedimentary quartzite and graphitic schist rocks in a supracrustal sequence. In addition to the identified gold deposits, the Vila Nova Group also hosts manganese, iron ore and several stratiform chromite deposits.

The greenstone sequences in the Tartaruga Project area form part of a larger series of northwest trending units surrounded by granulite, gneiss, metasedimentary and mica-schist units. Gold mineralisation in the Tartaruga Project is mainly hosted within a sheared and altered metasedimentary package dominated by west-northwest trending quartzite units. These units range up to approximately 30 m in thickness, dip moderately (at 35°) to the southwest and have a known strike extent in excess of 1,600 m. The gold mineralisation occurs within tabular zones of grey quartz stringer veining that range in thickness from 1.4 m to 13 m and dip sub-parallel to the regional foliation.

The four recognised gold deposits in the Tartaruga Project are locally known as the Mineiro, Mandiocal, Bananal and Buracão deposits. These deposits occur along a 3 km strike length with the defined mineralisation reportedly open down-dip and to the southeast. Approximately 3 km north of Mineiro and adjacent to Beadell's northern tenement boundary is the Mineiro North deposit.

Previous Exploration and Development

The Tartaruga Project has been the subject of ongoing exploration activities since 1981 when a 6,000 m diamond drilling programme was completed over a 3 km strike length of prospective mineralisation. In 1984, several small tonnage, medium grade gold deposits were outlined with an estimate of the target mineralisation reported in 1987.

A hiatus in exploration activity lasting several years followed during which time artisanal miners exploited near surface mineralisation through a series of shallow open pits and shafts. A number of these artisanal workings remain in operation.

In 2005, following a change in ownership of the Tartaruga Project, exploration activities re-commenced at Tartaruga with soil sampling and diamond drilling programmes. Results from these completed programmes confirmed the location of the known gold deposits and tested other prospective areas for similar styles of gold mineralisation to those encountered previously. An estimate was generated based only on the data from this study but not released for public reporting. Snowden's review of the

estimate indicates that, although it did not utilise all available information, it confirmed the location, size and grade tenor for the Tartaruga Project gold mineralisation. The 2005 study also identified several drill targets for follow up exploration.

Work Undertaken by Beadell

In 2007, Beadell undertook a site visit to the project to more adequately assess the gold potential of the Tartaruga area. After acquiring the existing data, Beadell transformed all data from local into regional grid and generated its own interpretation of the gold mineralisation. Beadell subsequently generated an estimate to assess the likely tonnage and grade for the known gold mineralisation at Tartaruga. Beadell's 2007 estimate reported tonnes and gold grades which were comparable to those reported during earlier studies.

Beadell considers its 2007 estimate confirms the style, grade and magnitude of mineralisation previously reported in the Tartaruga Project. Furthermore, Beadell's review of the exploration potential has identified a series of new target areas. These areas were poorly tested by previous drilling, however the location of numerous small pits and shaft development from artisanal mining activity confirms the location of the known gold mineralisation.

Mineral Resources and Exploration Potential

There are currently no reportable Mineral Resources in place for the Tartaruga Project gold deposits. Previous studies have reported some 2.0 to 3.2 Mt of gold mineralisation is present at Tartaruga with estimated gold grades ranging between 1.5 and 3.8 g/t. Snowden consider these estimates do not currently meet the minimum reporting guidelines set out in the 2004 JORC Code. In Snowden's opinion however, although these estimates are conceptual in nature and viewed as historical estimates, they highlight the exploration potential of the known gold mineralisation in the Tartaruga Project area.

Snowden also consider there is good potential to define additional gold mineralisation of similar style in the Tartaruga Project through ongoing exploration. This view is based on the following points:

- The presence of extensive artisanal mining throughout the project area marks other zones of known gold mineralisation which remain largely untested at depth by drilling.
- The previous estimates only account for the Mineiro, Mandiocal and Bananal deposits. Gold mineralisation recognised through artisanal mining at Liophis, Buracão and Parinthins has not been incorporated in the previous estimates.
- Previous drilling of the known deposits has not closed off the lateral and down-dip extents of the gold mineralisation. Furthermore, analysis of the grade trends in each of these deposits highlights potential target areas immediately adjacent that remain untested.
- Outside of the currently defined mineralised areas, the presence of large unexplored portions of the mapped sericite altered quartzite unit, recognised as the principal host to the gold mineralisation, is considered highly encouraging.

Development Strategy

Beadell's initial exploration strategy for the Tartaruga Project area is focussed on obtaining the necessary data to evaluate the economic potential of the previously defined gold mineralisation. Thereafter, Beadell intends to generate a Mineral Resource prepared in accordance with the Australasian Code for Reporting of Exploration Results (the 2004 JORC Code). Beadell have proposed a two year exploration programme to more fully evaluate the known deposits as well as test the potential for additional gold mineralisation in these target areas.

Snowden considers that through a carefully considered exploration approach, Beadell can define additional gold mineralisation in the Tartaruga Project. In Snowden's opinion, Beadell's proposed expenditures, outlined in the table below, are realistic and should enable a good appreciation of the key targets identified within its Tartaruga Project within the 2 year period. However, Snowden cautions that the proposed exploration programme in Year 2 may change from that currently stated dependent on the results obtained in Year 1 of the programme.

Summary of Beadell's proposed exploration budget (A$)

Tartaruga Project	Year 1 (A$000)	Year 2 (A$000)	Total (A$000)
Exploration - aeromagnetic survey	125		125
Exploration - soil sampling	75		75
Exploration - drilling	555		555
Scoping and Feasibility Study		570	570
Environmental Study	45	30	75
Capital Items	285	110	395
Exploration - salaries	262	262	524
Administration	218	218	436
Total Tartaruga Project Budget	**1,565**	**1,190**	**2,755**

The success of Beadell's exploration programme will be largely dependent upon the skills of its exploration team and an effective exploration strategy. Snowden considers that the work programme proposed by Beadell is well conceived and provides adequate consideration for the differing maturity of the targets identified in its Tartaruga Project area. In Snowden's opinion Beadell has the key elements in place to achieve its stated objectives.

Responsibility

Snowden personnel responsible for the preparation and review of this report were Mr S Helm (Principal Consultant) and Mr J A J McKibben (Divisional Manager – Corporate Services). Mr Helm is the principal author, whilst Mr McKibben reviewed this report. No site visit was conducted to the project area.

In preparing the report, Mr Helm has relied on information provided by Beadell and a number of reports prepared by previous tenement holders and research papers published by various academic institutions. The author has also held detailed discussions with Mr Rob Watkins, Executive-Director Exploration for Beadell and Ms Jenny Abello, Senior Project Geologist for Beadell, regarding various aspects of the Tartaruga Project.

2. INTRODUCTION

2.1 TERMS OF REFERENCE

At your request, Snowden Mining Industry Consultants Pty Ltd has prepared an Independent Geologist's Report on Beadell Resources Ltd ("Beadell") Tartaruga Project in northern Brazil (Figure 3.1).

This Independent Geologist's Report is intended to inform readers of Beadell's Prospectus about the current status and exploration potential of the Tartaruga Project and to provide comment on Beadell's future exploration and development programme.

2.2 PURPOSE FOR WHICH THE REPORT WAS PREPARED

Snowden understands that this report is to be included in a Prospectus to be lodged with the Australian Securities and Investments Commission ("ASIC") for a proposed listing of Beadell on the Australian Securities Exchange ("ASX").

The objectives of this report are to:

- provide an overview of the geological setting of Beadell's Tartaruga Project area and the associated mineralisation;
- outline the history of previous exploration and mining undertaken on the project;
- present an overview of historic estimates for target gold mineralisation within the project area;
- express Snowden's opinion on the exploration potential of Beadell's project area;
- consider the appropriateness of Beadell's budgeted work programmes.

2.3 RESPONSIBILITY FOR THE INDEPENDENT GEOLOGIST'S REPORT

Mr S Helm is the principal author of this Independent Geologist's Report. Mr J A J McKibben of Snowden's Corporate Division has reviewed this report. No site visit was undertaken to the project area.

In preparing the report, Mr Helm has relied on information provided by Beadell and a number of reports prepared by previous tenement holders and research papers published by various academic institutions. The author has also held in-depth discussions with Mr Rob Watkins, Executive-Director Exploration for Beadell and Ms Jenny Abello, Senior Project Geologist for Beadell, regarding various aspects of the Tartaruga Project.

2.4 OVERVIEW OF BEADELL

Beadell Resources Ltd ("Beadell") is an unlisted public resource company which was incorporated in May 2007 and is registered in Western Australia under Australian Company Number ACN 125 222 291.

Beadell, with exploration targets in Western Australia, South Australia, Victoria and Brazil, South America, maintain a strong focus on defining economic gold mineralisation. In addition to their portfolio of gold targets, Beadell also has interest in uranium exploration in the tenements in Western Australia. Beadell is now seeking to list on the ASX in order to raise working capital to fund the future assessment of its prospects.

3. OVERVIEW OF BRAZIL

3.1 INTRODUCTION

With an area of some 8.5 million km^2 stretching from latitudes 5°N to 33°S, Brazil occupies nearly one-half of the South American continental landmass and borders ten of the continent's twelve other nations (Figure 3.1). The north and west of the country is dominated by the Amazon Basin (which occupies more than 60% of the country) and is navigable for some 3,200 km within Brazil. The highest point in Brazil is Pico de Neblina (3,014 m), lying close to the border with Venezuela, however the majority of the country is below 500 m elevation. The country's climate is mostly tropical although more temperate in the south. Vast stretches of dense forest dominate the northern region, a semi-arid plain can be found along the north-eastern coast, while mountains and hills typify the southwest. Only 7% of the land area is considered as arable.

Figure 3.1: Location of Beadell's Tartaruga Project in northern Brazil (supplied by Beadell)

Brazil is the world's fifth most populous country with an estimated population of 190 million people at an average age of 29 years. The majority of the population reside in very large, modern cities such as the capital, Brasilia, as well as other regional centres such as São Paulo, Rio de Janeiro and Belo Horizonte. The official language is Portuguese. English is commonly taught at schools and is used in business circles, but is not generally well understood outside of the major population centres. Approximately 75% of Brazilians are Roman Catholic.

3.2 POLITICAL AND ECONOMIC CLIMATE

Brazil is a federative republic governed by the 1988 Constitution. Under its terms, authority is vested in the President, who is elected for four years by popular vote. Under a 1997 amendment, the President may be re-elected once. The President is both chief of State and head of Government, and appoints the Cabinet. The current President is Luiz Inacio Lula Da Silva, who was elected on 1 January 2003. There is a bicameral National Congress consisting of an upper federal senate and a lower chamber of deputies. The 81 senators are elected for eight years and the 513 deputies are elected for four years. The judiciary consists of the Supreme Federal Tribunal, the Higher Tribunal of Justice and 26 Regional Federal Tribunals. Politically, Brazil is divided into 26 states and one federal district. Each state has its own governor and legislature.

Historically, Brazil has been viewed as a politically and economically inward-looking country. With changes to the government in the 1990s however, Brazil adopted a foreign policy with a more internationalist approach. This approach has continued under President Da Silva's leadership and is responsible for Brazil now being acknowledged as South America's leading economic power and regional leader.

Large and well-developed agricultural, mining, manufacturing and service sectors underpin the economy and strengthen relations with other South American and international countries. The current leadership has retained confidence in Brazil's economy through promoting policies that champion the rights of developing countries in Latin America, Africa, the Middle East and Asia, as well as work consistently to strengthen ties with the major developing powers of China, India and South Africa. Brazil is now a regular participant in global forums such as the World Economic Forum, the World Trade Organisation and the G8 Summit.

Brazil's economy has recovered from a series of economic setbacks in recent times; namely the internal energy crisis in 2001, increased international investor aversion following the September 11 2001 terrorist attacks in the United States and from a recession in 2003. In 2005, Brazil's GDP grew by 2.3% to US$797 billion and continued to grow at around 3.6% in 2006. Brazil is now placed in the top 10 largest economies of the world with major contributions from the industrial, mining and service sectors.

The Brazilian economy is in the process of further reform however, with key challenges remaining in the areas of judicial reform, tax reduction, improving education, managing crime and corruption. Investment in infrastructure such as roads, railways, ports and the energy sector are also required to sustain the predicted growth. President Da Silva commenced his second mandate in January 2007 stating the priority areas for his coming term are economic growth, increasing the investment rate, controlling public finances and reducing the social security deficit. Recent assessments of the economy by the International Monetary Fund ("IMF") and the Organisation for Economic and Co-operation and Development ("OECD") also reflect positively on the current policies noting lower levels of risk and subsequently higher confidence.

Brazil and Australia have developed strong economic ties since the late 1990s. Memorandums of Understanding ("MOU") have been signed which detail agreements to bilateral trade in agricultural products (1998), cooperation in areas of science and technology (2001), education (2005) and most recently in 2006, completion of negotiations on an Air Service Agreement. Mining, biotechnology and innovation are among the main target areas nominated for increased cooperation. In January 2006, Australia and Brazil also created a ministerial-level bilateral trade and investment commission ("BTIC") which will promote commercial relations between the two countries.

Brazil is Australia's largest trading partner in South America with two-way trade estimated in the order of A$1.7 billion in 2006. A growing number of Australian companies are currently operating in Brazil with interest in business and financial services, education, mining, agribusiness, transportation, textile clothing and footwear, document management and insurance services. With increasing awareness of the commercial ties between the two countries, trade and investment links continue to expand steadily, particularly in the areas of mining, agribusiness and the services sector.

3.3 THE GEOLOGY AND MINERAL RESOURCES OF BRAZIL

Brazil is recognised as a highly mineralised country that has an established and diverse mineral production profile. The mineral industry forms an integral part of Brazil's economy which grew 10.2% in 2005 and was forecast to increase by an additional 8.1% through 2006.

Brazil is the world's largest exporter of iron ore and one of the world's major petroleum producers. With increasing global interest in defining energy sources, Brazil estimates that its uranium production will treble to 1,200 t/y by 2009. Production of bauxite and copper are also expected to surge in this period. The total planned investment in nickel in Brazil currently amounts to US$3 billion with plans to raise annual production to approximately 160,000 t/y by 2010, placing Brazil in the

world's top five nickel producers. In addition, Brazil also hosts mineral deposits of coal, gold, phosphate, kaolin, tin, manganese and zinc (Figure 3.2).

Brazil's mineral wealth is hosted in a wide range of geological environments, with nearly half of the country covered by young sedimentary, intracratonic, rift and Atlantic coastal basins. These basins host deposits of coal (Paraná Basin) and evaporites associated with gypsum, phosphorite, barite and uranium (Paraná and Parniba Basins). Furthermore, these basins overly extensive Precambrian terrains, including the Amazon and São Francisco cratons, which contain a number of greenstone and volcanosedimentary belts hosting significant deposits of gold, silver, iron, manganese and base metals. These cratonic areas are surrounded by a number of Proterozoic mobile belts hosting massive reserves of iron ore (Carajas and Quadrilátero Ferrífero) in banded iron formations ("BIF"), in addition to deposits of manganese, gold, silver, uranium, platinum group metals ("PGM"), tin, nickel and other base metals.

The structure of the Brazilian mining industry has changed substantially since the early-1990s from a predominantly Government-owned and operated regime to a privately owned/Government-regulated system. Between 1991 and 2002, the Government privatised numerous State-owned organisations including the mining company Companhia Vale do Rio Doce ("CVRD") as well as companies in the electrical, energy, steel and telecommunications sectors. By the mid-1990s, investment was on the rise as a result of aggressive economic policies and constitutional reform that eliminated restrictions on foreign investment in mining. In 2000, the import tax for minerals was reduced and exported mineral products were exempt from export tax. CVRD is now Brazil's largest mining company and the second largest in the world following the acquisition of the North American nickel giant Inco Limited in 2007. CVRD also hold interests in the exploration and mining bauxite, coal, iron ore, copper and coal.

Figure 3.2: Mining and economic activity in Brazil (University of Texas Libraries Map Collection)

3.4 MINING TENURE IN BRAZIL

The main government agency responsible for mining administration and mineral production data is Brazil's Departamento Nacional de Produção Mineral ("DNPM") or National Department of Mineral Production.

The exploration and exploitation of mineral resources in Brazil is defined and regulated by the 1967 Mining Code (Executive Law No. 227 of 28 February 1967). Mining activity in Brazil requires the grant of concessions from the DNPM who are responsible for enforcing the Mining Code and its complementary legal provisions. Tenure in Brazil essentially consists of exploration applications, exploration licences and mining authorisations.

The process of acquiring title to a mineral property in Brazil is a phased procedure involving progressive categories of title as exploration and development work advances. Tenure is secure as long as the title holder meets clearly defined obligations over time, but the process of acquiring title can be lengthy. Typically the area covered by concessions varies from 10,000 ha in extent for the Amazon region and 2,000 ha for the rest of the country, but may be smaller in area depending on the region where the concession is situated.

Initially, an application must be filed for an exploration licence. The application must meet certain regulatory requirements, including submission of a location map and exploration plan. The application must also be prepared under the responsibility of an authorised professional such as a geologist or mining engineer. A 60 day period after filing is provided for the applicant to supply any further information that may be required. Exploration licences are issued by the DNPM provided the applicant has met all the requirements and the area of interest is not already covered by a pre-existing application or exploration licence.

Exploration licences are granted for a maximum period of three years, which may be extended for an additional two to three year period, upon presentation of technical justification. They are also subject to a nominal annual charge of R$1.55 per hectare. Exploration must begin within 60 days following the granting of the licence, and must not be suspended for more than three consecutive months or 120 non-consecutive days. Exploration must be carried out in accordance with the submitted exploration plan.

Upon completion of exploration work, the holder of the exploration licence must produce a "Final Exploration Report" and a "Mining Plan" (in essence, the two reports may be regarded as a feasibility study).

Mining rights are only granted to corporations. Normally such corporations have a period of one year, following the DNPM's approval of the "Final Exploration Report", within which to present a "Mining Plan" (or feasibility study), and to apply for a mining right. After the right is published in the official gazette, the corporation has 90 days to request possession of the mineral deposit to be mined and six months to start the preparatory work outlined in the "Mining Plan". This term can be extended for a further six months, once or more, provided there are acceptable reasons (such as market restrictions, acts of God etc) that justify such extension. Once mining has started it may not be interrupted for any period longer than six consecutive months unless the corporation has approval for a suspension of activities from the DNPM, which when granted provides for ongoing security of tenure. No fees are levied on the holder of a mining right. Mining rights are not limited in time and remain valid until depletion of the mineral deposit. Once a mining right is granted, a mining company is required to obtain an operating permit. The operating permit is renewed annually subject to compliance with the environmental legislation.

In Brazil, mineral rights are distinct from surface ownership and/or rights and as such, a mining right does not convey title to a mineral deposit, which remains vested in the Government. Rather, a mining right gives to the holder the right to extract, process and sell minerals from a deposit, in accordance with a plan approved by the DNPM, until the deposit is exhausted. The property's surface right (including ownership) generally belongs to a third party, to whom in the case of gold mining operations, a rent and a royalty of 0.5% on net revenue is due monthly throughout the life of the project, commencing from the first gold sale. During the exploration phase, the landowner also has the right to receive income for the occupation and indemnity for surface usage. If there is no amicable agreement between parties regarding surface occupation and usage during exploration, the courts will assign an expert to evaluate damages and calculate the amount of indemnity. The maximum amount of indemnity cannot exceed the market value of the land.

Article 225 of the Brazilian Constitution stipulates that mining operators must reclaim areas that they have environmentally degraded. In Brazil, the environmental legislation that is applied to mining is basically consolidated in the following environmental requirements: an environmental impact study ("EIA"), environmental licensing ("LA") and a plan for recovery of degraded areas ("PRAD"). An EIA applies to mining projects for any mineral; an LA is mandatory for the installation, expansion and operation of any mining activity; and a PRAD requires suitable technical plan to rehabilitate the soil and other aspects of the environment that might be degraded by a mining operation.

3.5 GOLD MINING INDUSTRY OF BRAZIL

Gold was first discovered in Brazil in 1552, but the deposits found were small and only mined sporadically during the seventeenth century. Economic deposits of gold were discovered in Minas Gerais State in 1693, and for a century thereafter was one of the world's major sources of gold. The Goiás and Mato Grosso States also provided significant alluvial gold production after 1700. By 1750, gold output was around 16 t (0.5 Moz) making Brazil the world's largest producer, but production subsequently declined.

In 1834 the Mineração Morro Velho mine opened in Minas Gerais State and was worked continuously for more than one and a half centuries (to 2001). From the late 19th century to the late 20th century, total mining company and garimpeiro gold production was small and relatively constant at about 5 t to 8 t per year (0.1 Moz to 0.2 Moz). The high gold price in the late 1980s prompted an immense rush of garimpeiros, or local artisanal miners, who located rich alluvial deposits in the regions of Cuiaba, Cumaru, Alta Floresta and Serra Pelada. Production peaked at a record 102 t (3.3 Moz) in 1988, of which 70% came from garimpos (artisanal mines or prospects).

Since 1988, the amount of alluvial gold recovered through garimpeiro activity has steadily fallen by some 10% on average per annum. This decrease, in conjunction with the closure of several operations saw Brazil's total gold output decrease to approximately 44 t in 2004. In 2006, Brazil's gold production was forecast to remain at similar levels as several operating mines continued treatment of increased tonnages of lower grade ores.

It is important to recognise that these lower levels of production do not reflect the mineral potential in the ground. The political and economic climate in the 1990s coupled with low prices for gold during that period were viewed as the main reason for the limited external interest in Brazil's gold deposits. Improvements to the political stability in Brazil in the last decade and the positive influence of the higher gold price in recent years now sees Brazil as a favourable location for new mining investment.

Brazilian gold reserves are currently estimated to be approximately 1,170 tonnes representing 1.3% of total world gold reserves. These gold deposits are mainly hosted in several greenstone belts within Brazil's Archaean cratons, which are similar to those found in Australia, Canada and South Africa. Traditional gold producing areas are located in the States of Pará, Minas Gerais, Bahia, Goiás and Mato Grosso, with lesser production from the greenstone belts in the northern and northeastern parts of Amapá.

4. TARTARUGA PROJECT

4.1 INTRODUCTION

Beadell's Tartaruga Project is located in Amapá State, in central-northern Brazil, approximately 160 km north of the State capital, Macapá (Figure 4.1). Amapá State is the least populated of all Brazilian States and as a result contains some of the richest and most well preserved examples of the Amazon rainforest. Although the climate of the State is predominantly equatorial, with the Equator passing through the city of Macapá, the local vegetation within the project area typically comprises low lying dense shrubs and grassland than tropical rainforest.

The closest town to the project area is Tartarugalzinho with a population of approximately 8,000 people. Tartarugalzinho provides a good working base for a project office with developed infrastructure, power and other facilities. Access to Tartarugalzinho and the project area is via 230 km of paved road (BR-156) from Macapá.

The project area has previously been subject to exploration and small scale mining activities since the early 1980s when the discovery of the first gold deposit was reported. Since that time, several shallow open pits have been extracted by artisanal miners marking the location of other gold mineralisation within the project area.

Figure 4.1: Location of the Tartaruga Project inside Amapá State, Brazil (supplied by Beadell)

4.2 MINERAL TITLE STATUS AND ACQUISITION AGREEMENT

4.2.1 Mineral Status

The Tartaruga Project area comprises a Mining Concession Title (DNPM-851.439/1980) under which an Exploration Permit has been granted. The final exploration report has been approved and is undergoing final approval by the Departmento Nacional de Produção Mineral for the issue, under the concession, of a Mining Permit. The Mining Concession Title (DNPM-851.439/1980) covers a total area of 9,601.89 ha. In 1981, British Petroleum ("BP") acquired the tenement through their Brazilian subsidiary, BP Mineração. All exploration activity within the project was completed through the local company, Mineração Seratama Ltd. In 2004, the tenement was transferred to Keystone Ltda ("Keystone") and subsequently to Brazmin Ltda, a subsidiary of BrazMin Corp. ("BrazMin"), in April 2005.

4.2.2 Agreements

Snowden has been advised by Beadell that its local subsidiary, Beadell Resources Mineração Ltda, has entered into an agreement to acquire 100% interest in the Tartaruga Project from BrazMin. The acquisition will be subject to the following conditions:

- an initial payment, made in June 2007, of US$50,000 to BrazMin on execution of the agreement
- a payment of US$100,000 to BrazMin upon Beadell successfully listing on the ASX
- issuing BrazMin with Beadell shares to the value of US$500,000 within 10 days of listing
- annual payment of US$100,000 to Keystone until the commencement of commercial production
- a Net Smelter Return ("NSR") of 1.7% payable to BrazMin on any future gold production.

4.3 GEOLOGICAL SETTING

4.3.1 Regional

The Tartaruga Project is located within one of a series of Paleoproterozoic-aged greenstone belts in the southeastern portion of the Guyana Shield. The Guyana Shield represents the northern segment of the larger Amazonian Craton in South America and is one of three crystalline shields that underlie approximately one-third of Brazil. The Guyana Shield covers an area of 900,000 km^2 and extends into the neighbouring countries of Venezuela, Guyana, Suriname and French Guiana. Only in the last 20 years, with the discovery of several shallow gold deposits, has the understanding of the geological setting and economic significance of this region improved.

The Guyana Shield is interpreted to have once been joined to the West Africa Shield, a recognised gold province. Research completed in the past decade supports the theory that during the Paleoproterozoic (~2 Ga), the Guyana and West African Shields were joined as part of a supercontinent. Figure 4.2 shows a schematic reconstruction of the supercontinent with the joined Guyana-West African Shields and highlights the numerous gold deposits identified to date. Given the close geological correlation, the Guyana Shield greenstone-granite packages are considered to be highly prospective for mineral exploration.

The Guyana Shield comprises Archaean and Paleoproterozoic aged metamorphic and volcano-sedimentary sequences bordered by the sedimentary Amazon Basin to the south and east and cross-cut by numerous late stage Mesozoic dolerite dykes. The Archaean suite of rocks is comprised of gneiss, migmatite and volcano-sedimentary rocks metamorphosed at amphibolite to granulite facies whereas the Paleoproterozoic rocks are dominated by lower grade greenschist facies volcano-sedimentary greenstone sequences.

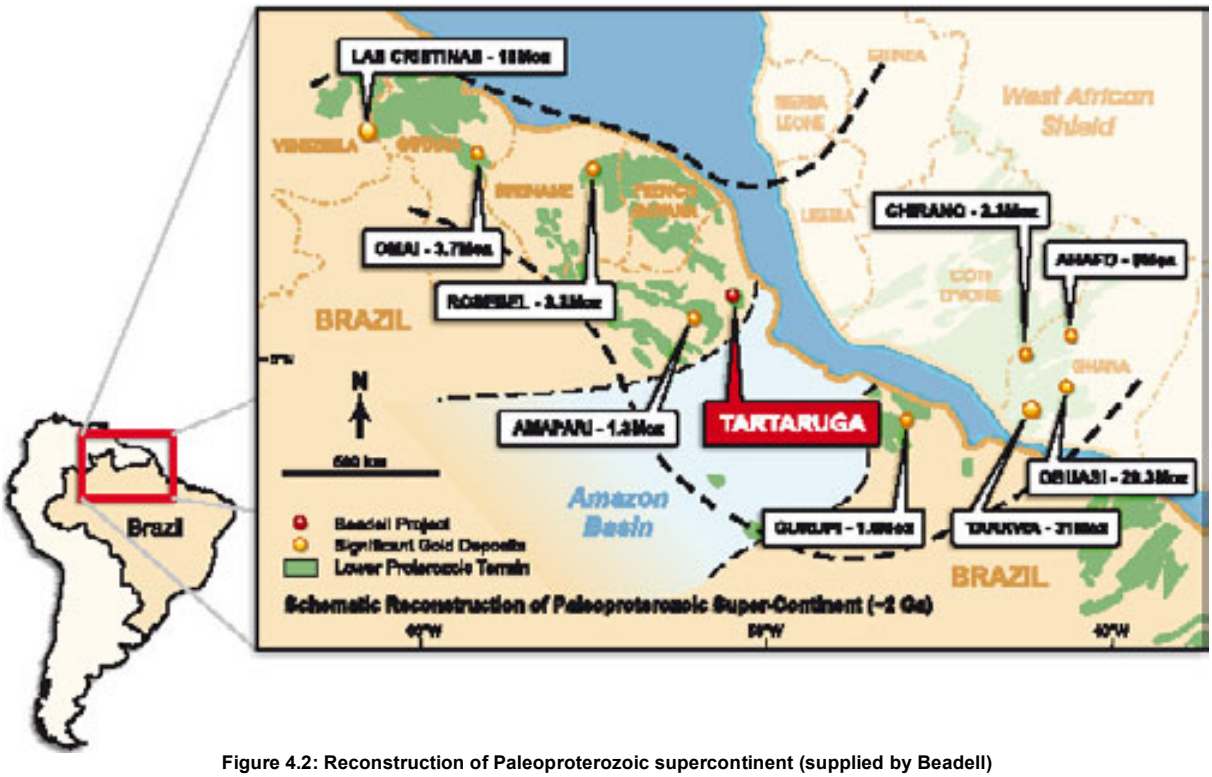


Figure 4.2: Reconstruction of Paleoproterozoic supercontinent (supplied by Beadell)

The greenstone sequences in the Amapá State region form part of the Vila Nova Group which includes metavolcanic, amphibolite, metasedimentary quartzite and graphitic schist units in a supracrustal sequence (Figure 4.3). These greenstone belts cover an area of approximately 300 km by 500 km extending through the Amapá and northern Pará States. These belts typically occur as a series of northwest trending units surrounded by granulite, gneiss and mica-schist.

In addition to the identified gold deposits in the area, the Vila Nova Group also hosts manganese, iron ore and chromite deposits.

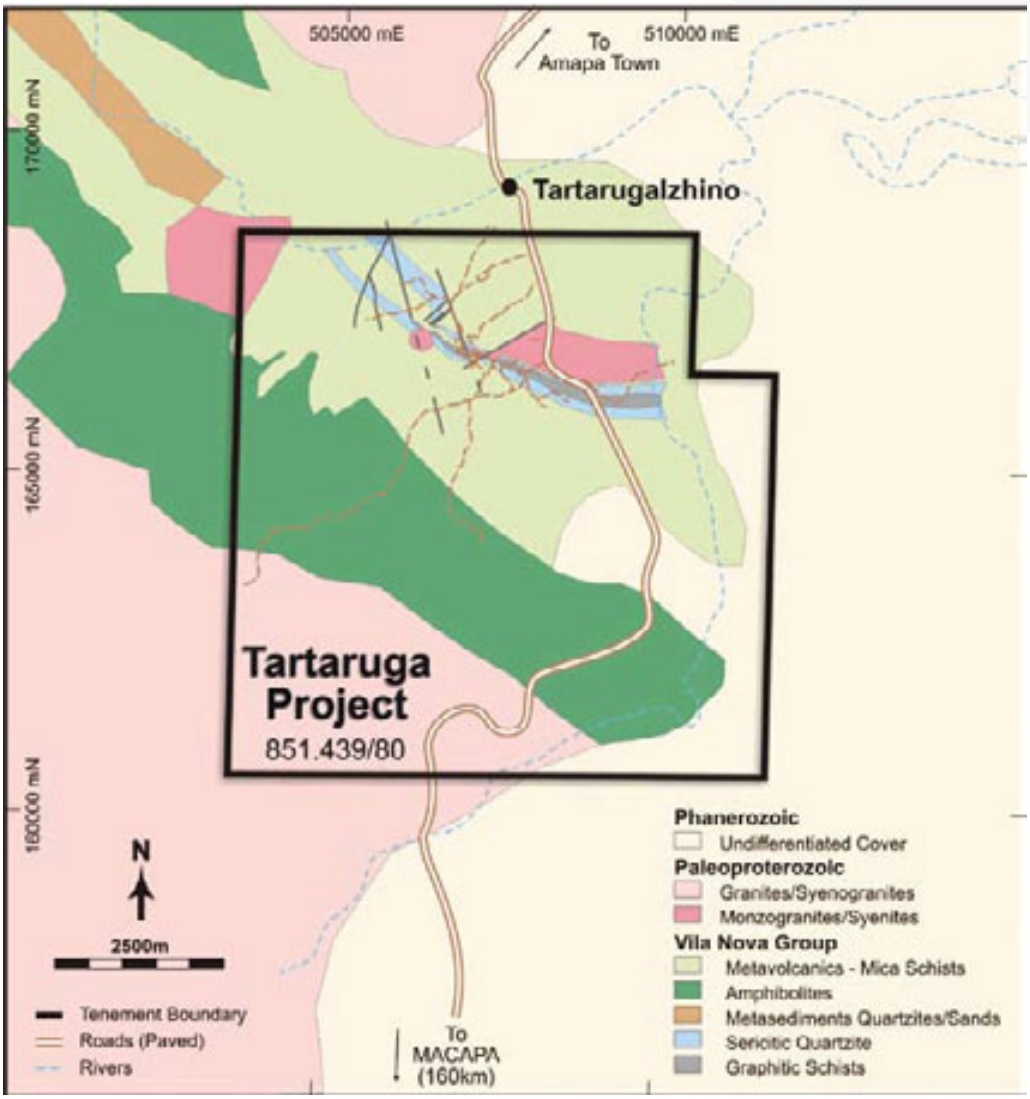


Figure 4.3: Regional geology for the Tartaruga Project (supplied by Beadell)

4.3.2 Local

The Tartaruga Project area lies within one of several regional northwest trending greenstone belts (Figure 4.2). These belts extend over a strike length of 50 km and have a width in the order of 10 km. The main lithological units in the project area include basic metavolcanic, graphite-sericite schist, metagreywacke, sericite-quartzite, metatuff and acid-intermediate metavolcanic rocks of the Vila Nova Group. The northern portion of the project covers granitic basement rocks and is commonly cross-cut by late stage doleritic dykes (Figure 4.4).

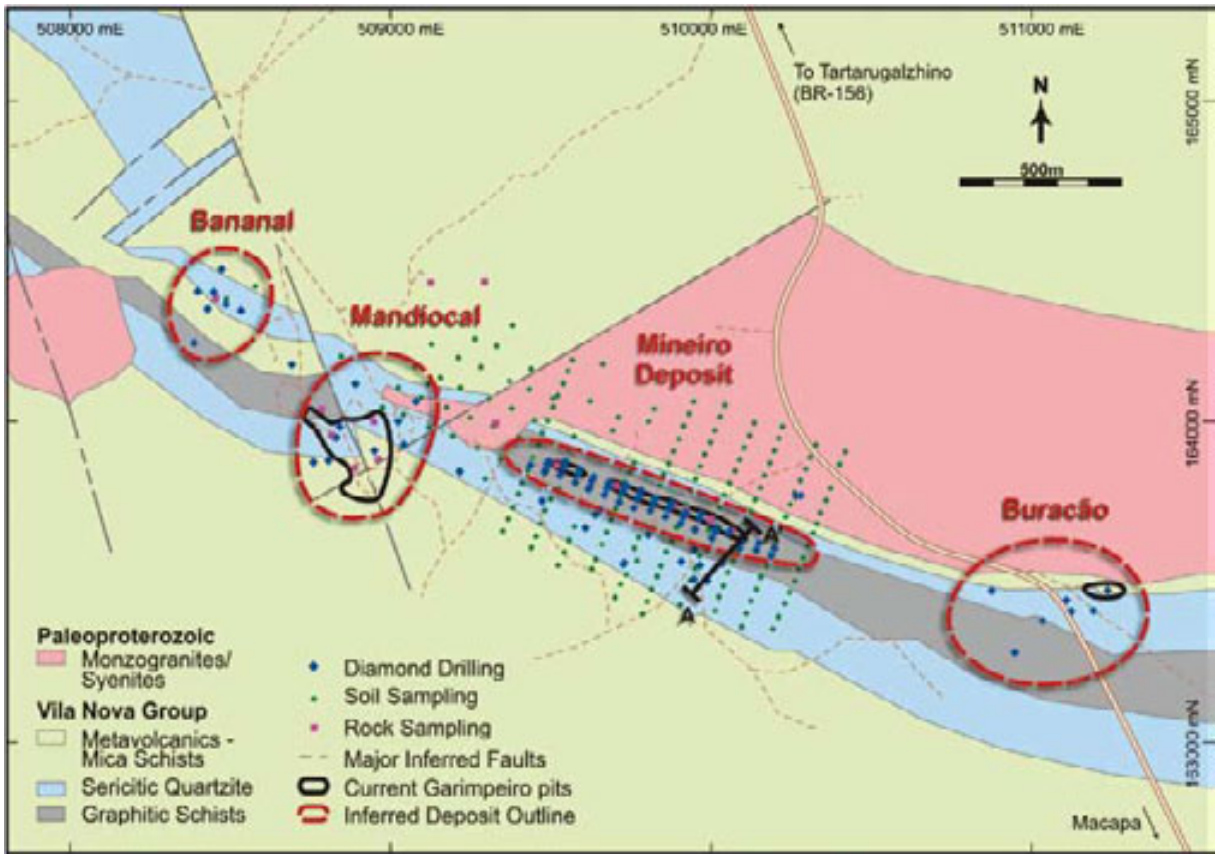


Figure 4.4: Local geology and location of recognised Tartaruga Project gold deposits (supplied by Beadell)

Gold mineralisation in the area is mainly hosted within discontinuous sheared and sericite altered west-northwest trending quartzite units. These units range in thickness up to approximately 30 m, dip moderately (at 35°) to the southwest and have a known strike extent in excess of 1,600 m. The gold mineralisation occurs within tabular zones of grey quartz stringer veining that range in thickness from 1.4 m to 13 m. These zones dip sub-parallel to the regional foliation. Overlying these quartzite units is a metasedimentary sequence comprising metagreywacke, sericite-chlorite and graphite-chlorite schist. These units are largely unmineralised, however exploration drilling has intersected a number of narrow zones with anomalous gold grade. Figure 4.5 shows a typical drill section looking northwest through the Mineiro deposit illustrating the host lithologies and gold mineralisation.

The main gold mineralisation typically occurs as fine grained (50-70µm) free gold, however local associations are recognised with tellurides such as calaverite ($AuTe_2$), sylvanite ($(Au,Ag)_2Te_4$), and hessite (Ag_2Te). Minor associations are also observed with pyrite, chalcopyrite, bornite, covellite, galena and sphalerite.

The Tartaruga Project encompasses at least four recognised gold deposits; these being the Mineiro, Mandiocal, Bananal and Buracão deposits (Figure 4.4). These deposits occur over a 3 km strike length with much of the mineralisation open down-dip and to the southeast. The Mineiro North deposit is located approximately 3 km north of Mineiro although it is immediately outside Beadell's existing tenement.

Surface mapping near the Mandiocal deposit has identified two major faults interpreted to intersect south of the current pit. These faults, trending northeast and northwest respectively, are interpreted to form one of the controls for gold mineralisation in the area. As a result, the gold mineralisation at Mandiocal is more discontinuous in nature than evident in Bananal, Mineiro and Buracão.

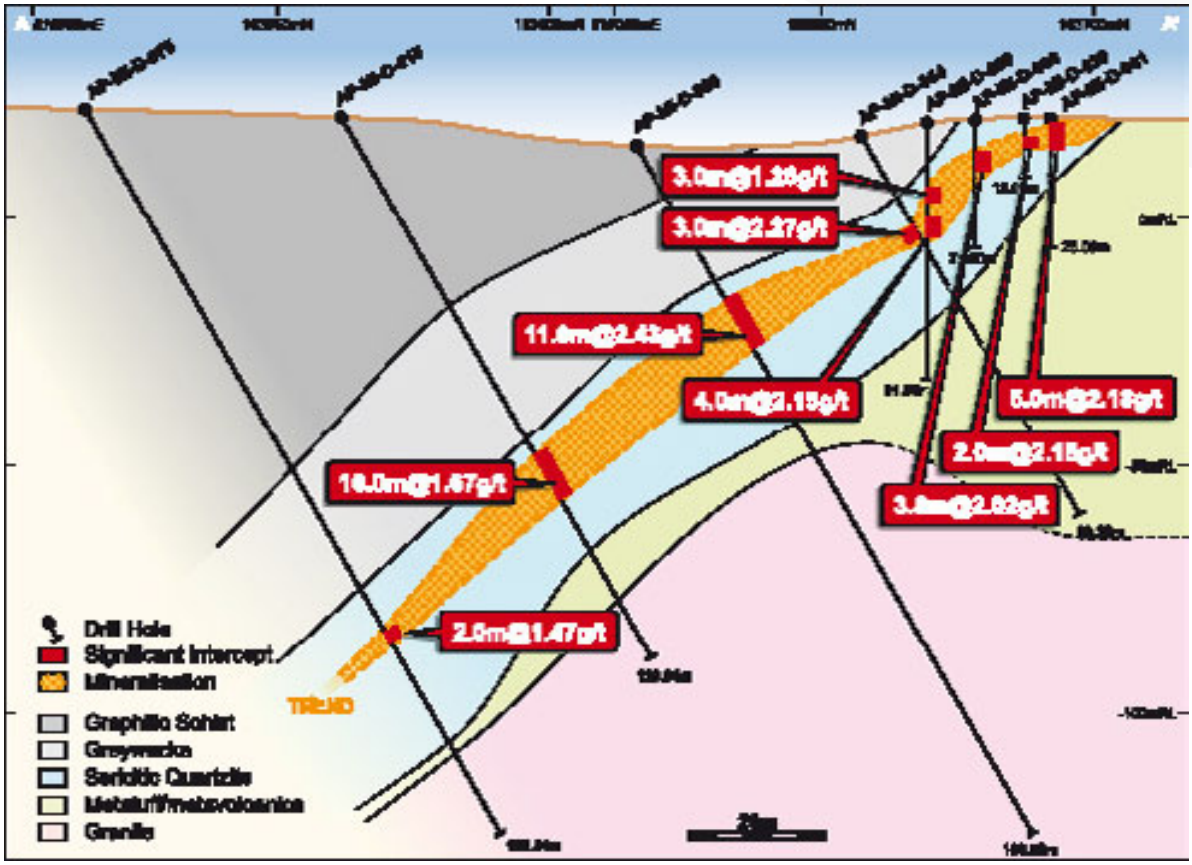


Figure 4.5: Drill section through Mineiro looking northwest showing the Tartaruga lithology and gold mineralisation (supplied by Beadell)

4.4 EXPLORATION AND MINING HISTORY

The Tartaruga Project has been subject to intermittent exploration since 1981, when BP Mineração through their local company, commenced diamond drilling in the area. In 1984, following the completion of a 6,000 m drilling programme testing a 3 km strike length of prospective mineralisation, BP announced the discovery of several small tonnage, medium grade gold deposits.

Although BP applied to the DNPM for a mining permit in 1989, the company withdrew from the area prior to the permit being granted. A hiatus of several years followed during which no further exploration was conducted in the area, although small scale mining by local garimpeiros was initiated to exploit several areas of near surface gold mineralisation through shallow open pits and shafts.

The previously developed workings were largely focussed on gold mineralisation associated with the Bananal, Mandiocal, Mineiro and Buracão deposits in the Tartaruga Project. The largest of the artisanal open pits occurs at Mineiro and extends over 700 m along strike and ranges in depth from 5 m to 15 m below surface. Small surface workings also exist on the project at Cândido, located 3 km to the west-northwest of Mineiro in the Parinthins area and at Liophis to the east of Buracão. At Liophis, two shafts have been developed to access the known gold mineralisation. Immediately north of Beadell's tenement, two pits have been developed at Fofoca over the Mineiro North deposit.

In 2005, BrazMin acquired the project area and instigated additional soil sampling and diamond drilling of the Tartaruga area. These programmes were designed to test the style, grade and extents of the previously defined gold mineralisation. A summary of the main exploration and mining events in the Tartaruga Project is presented in Table 4.1.

Table 4.1 Timeline of Key Exploration and Mining Events

Date	Activity
1981	Exploration programme of prospective areas initiated by BP Mineração
1984	BP Mineração announce discovery of gold deposits at the Tartarugalzinho (Tartaruga) prospect.
1989	Application for mining permit submitted to DNPM, but BP withdraw from the area prior to commencement of mining
Late 1980s	Small scale mining of the project area by local miners known as *"garimpeiros"*
2004	Field inspection by BrazMin to review mining activity and conduct surface sampling programme
2005	Agreement signed by BrazMin to acquire the Tartaruga Project from Keystone
2005	BrazMin commence diamond drillhole programme to further test known mineralisation
2007	Beadell enters an agreement to purchase the Tartaruga Project from BrazMin

4.5 MINERAL RESOURCES AND EXPLORATION POTENTIAL

4.5.1 Introduction

Historic estimates exist for a number of deposits within the Tartaruga Project. The first estimate was produced in 1984 upon completion of a soil sampling and diamond drilling programme. This estimate was approved for public disclosure by the DNPM in 1987.

In 2005, soil sampling and diamond drilling programmes were completed as part of ongoing exploration activities. The results of this additional work were incorporated into an updated estimate which outlined the potential tonnage and gold grade for the known mineralisation in the Tartaruga area.

Beadell commenced evaluation of the Tartaruga Project in 2006. In early 2007, Beadell completed a study of the potential tonnage and grade of gold mineralisation contained within the project area based on all the available drillhole and geological data. Descriptions of the data used, processes employed and issues associated with each of these previous studies is detailed in the following sections.

4.5.2 1987 Study

Evaluation of the gold mineralisation within the Tartaruga Project commenced with surface sampling and diamond drilling programmes undertaken between 1981 and 1984. The diamond drillhole programme specifically targeted a 700 m strike length portion of the Mineiro deposit using a 50 m x 20 to 25 m grid. The lateral strike extents of the Mineiro deposit to the southeast and northwest were not tested at this time.

Based on the technical data supplied, Snowden notes the following in relation to the 1987 estimate:

Data:

The first soil sampling programme in the Tartaruga Project area tested mineralisation at the Mineiro deposit and its potential strike extensions to the northwest using an 80 m x 80 m grid. The programme identified a series of gold in soil anomalies suitable for follow up diamond drill testing.

The subsequent diamond drillhole programme comprised 88 drillholes for a total of 6,090 m. Individual drillholes were typically completed to a depth of 80 m with a maximum downhole depth of 175 m. Drillholes were typically oriented at 60° to the northeast to maximise the number of true width intersections of the mineralisation. The collar position of each drillhole was surveyed and core samples were generally collected every 2 m downhole. Samples were routinely assayed for gold ("Au"), with limited assaying for silver ("Ag") undertaken.

Data quality:

Snowden was not provided with any quality assurance or quality control ("QAQC") data from this period and is therefore unable to comment on the quality of the assay data.

Geological interpretation:

The geological interpretation of the mineralisation was generated using a series of paper cross-sections spaced at 50 m intervals and oriented perpendicular to the main strike of the Mineiro deposit. These sections show the local geological units and drillhole assay intervals. The majority of the gold mineralisation was hosted within a series of veined sericite-silica altered quartzite units. The mineralisation was interpreted as a series of mineralised domains which extend over a 3 km strike length from the southeastern portion of the Mineiro deposit through to the Bananal deposit in the northwest (Figure 4.4).

Estimate and Classification

A preliminary estimate was prepared in 1984 and updated in 1987. These estimates were based on the interpreted mineralised domains and results from 2 m assay composites from 81 drillholes. A simple polygonal approach was used with sampled intervals length-weighted. An average density of 2.61 g/cm^3 was applied to the volume of the mineralised zones to generate the tonnage estimate.

The DNPM completed a technical inspection of the procedures and methodologies used to generate the estimate. In 1987, the material classification which was based on the density of the drillhole data was approved for public domain reporting. The estimate was reported within a proposed pit design using a nominal 1 g/t Au cut-off.

Snowden considers that the 1987 estimate does not meet the minimum reporting guidelines of the 2004 JORC Code. Snowden's view is based on the lack of detailed information pertaining to the underlying geological interpretation and the absence of supporting QAQC data.

4.5.3 2005 Study

In mid-2005, additional soil sampling and diamond drilling was undertaken to confirm the 1987 estimate and to test the potential extensions to known mineralisation. Snowden's high level review of the 2005 estimate, based on the data supplied by Beadell, is summarised in the following section.

Data:

A soil sampling programme was completed using a 100 m x 40 m spaced grid in the Mineiro pit area and extending to cover a 1.5 km strike length. A total of 1,800 samples were collected specifically targeting the area between the Mineiro and Mandiocal pits. Although samples returned anomalous gold assay results in this area, a drillhole from the 1987 study did not intersect any significant mineralisation in the area.

A further diamond drilling programme was completed in 2005 and comprised 13 NQ (47.6mm) diameter drillholes on approximately 100 m spaced grid sections. Of the thirteen drillholes, eight targeted the Mineiro pit area, two targeted mineralisation along strike to the southeast at the Buracão deposit and the remaining three drillholes targeted mineralisation to the northwest of Mineiro, at the Mandiocal pit. All drillholes were angled approximately 60° towards the northeast with drillhole depths typically in excess of 100 m. The total drillhole programme length was in the order of 1,500 m.

Snowden understands that although routine downhole surveys were completed to determine the degree of drillhole deviation, the data was not used due to problems with the survey instrument. Design dip and azimuth readings were therefore used to determine the final drillhole position.

Typically, each drillhole was sampled at 1 m downhole intervals with the majority of the drillhole length sampled. In some cases, more selective sampling was undertaken to either improve the understanding of the gold mineralisation or more commonly, to minimise the sampling of unmineralised units. Each sample was generally assayed for gold only using fire assay techniques. Snowden understands that some samples were also assayed for silver, however this data was not available for review.

Data quality:

Snowden was not provided with any QAQC data from this period and is therefore unable to comment on the quality of the assay data. Furthermore, Snowden believes that uncertainty with the downhole survey position potentially decreases confidence of the interpretation generated during this period of exploration.

Geological interpretation:

Snowden understands that the geological interpretation used in the 2005 estimate was based on information from the thirteen new drillholes only, with no reference made to the drillholes completed during the 1987 study. A geostatistical evaluation of the grade distribution identified four distinct grade populations that were interpreted into the following mineralised domains:

- Disseminated domain – typically constraining gold grades less than 0.7 g/t
- Intermediate domain – typically constraining gold grades between 0.7 and 1.5 g/t
- Rich domain – typically constraining gold grades between 1.5 and 2.8 g/t
- Rich domain with 'lump' effect – typically constraining gold grades above 2.8 g/t

All interpretations were generated on paper cross-sections initially and then translated into three dimensions ("3D") to more fully evaluate their continuity. The interpreted domains incorporate mineralisation intersected in the Mineiro, Mandiocal and Bananal deposits but do not extend to the southeast into the Buracão deposit. Snowden has not been presented with the interpretation of the mineralisation and as such cannot make comment on its veracity.

Snowden's review of the 2005 drillholes indicates that in the Mineiro deposit the drillhole depths were insufficient to intersect all the previously recognised mineralisation. It is Snowden's opinion that an interpretation and estimate based solely on the 2005 drilling is not directly comparable with the 1987 estimate. With this in mind, Snowden recommend that careful consideration be given during economic evaluation of the Mineiro deposit based only on data presented in the 2005 study.

Estimate and Classification

In 2005, an estimate of the size and grade of gold mineralisation in the Tartaruga Project was generated based on information from the thirteen new drillholes. Tonnages were determined using 3D volume models of the mineralised domains and a density of 2.60 g/cm^3. This average density value was based on evaluation of 52 fresh rock samples, each with a gold grade greater than 0.5 g/t. No allowance was made in the estimate for the lower density of oxide mineralisation. Grades were estimated into each of the mineralised domains using inverse distance interpolation parameters.

The 2005 estimate highlights the exploration potential in the Tartaruga Project, however Snowden considers that it has not been prepared in accordance with the 2004 JORC guidelines. This view is based on the lack of supporting QAQC and issues associated with the drillhole location and depth.

4.5.4 2007 Study

In early 2007, Beadell completed a site visit and review of all available data to determine the potential for ongoing exploration and mining in the Tartaruga area. Beadell subsequently completed a study on the Mineiro, Mandiocal and Bananal deposits to evaluate their economic viability.

Beadell's study involved the generation of a new interpretation of the mineralised zones based on all the available drilling data. This interpretation was constructed after transformation of the data from a local to a regional grid. Beadell noted that after the grid transformation, the collar positions for holes drilled during the 1987 study were located some 20 to 60 m northeast of their actual position. The actual position for several holes was independently determined by Beadell with collar surveys taken during the site visit in 2007. Beadell consider this error in drillhole collar position to be associated with the grid conversion process and not one that influences the previous 1987 estimate or Beadell's ongoing exploration work programmes.

Beadell's 2007 interpretation of the mineralised domains was constructed in 3D using data on 50 m spaced cross-sections. The interpretation extended over the entire strike length between the Mineiro pit in the southeast through to the Bananal pit in the northwest (Figure 4.4). The interpretation of the mineralisation was primarily based on the drillhole assay grades, however the interpretation did honour the regional geology as outlined in the 1987 study geology cross-sections. Beadell did not alter the lithological or structural interpretation generated as part of the 1987 study.

Beadell's interpretation also used additional criteria to define the minimum dilution allowable within mineralised domains. Drillhole intervals greater than 2 m downhole with a grade less than 0.5 g/t Au were selectively excluded from mineralised domains. Snowden understands that this nominal cut-off is based on Beadell's specification for the minimum allowable dilution and not based on geostatistical analysis.

In Snowden's opinion, Beadell's approach to the interpretation prevents meaningful comparison with interpretations and estimates generated during the 1987 and 2005 studies. In addition, Snowden considers the uncertainty in the position of drillhole collars and lack of deep drilling, reduces the confidence in the location and depth extent of the Mineiro deposit interpretation. Snowden consider that a QAQC programme to locate all identifiable drillhole collars is required to establish confidence in the drillhole data and subsequent interpretation.

Notwithstanding these issues, the Beadell estimate was generated to independently test the grade tenor and magnitude of the previously reported mineralisation. The grade estimate used inverse distance squared (ID^2) interpolation with volumes based on the 3D interpretation of the mineralisation. Tonnages for the mineralised domains were determined using a density of 2.61 g/cm^3 which is consistent with that used in the 1987 estimate. All drillholes from previous drilling programmes were incorporated into the grade estimate with no corrections made for drillhole location or sample support.

Given the uncertainty in the underlying drillhole data, no classification was applied to the 2007 estimate and the mineralisation was reported using 0.5 g/t Au and 1.0 g/t Au cut-off grades within the Mineiro, Mandiocal and Bananal deposits (Figure 4.4).

Beadell's 2007 estimate of the tonnage and gold grades for target mineralisation is within the ranges reported in the 1987 and 2005 studies. Given the uncertainties with the drillhole locations, variance in the downhole composite length and changes to the method for interpreting the mineralisation, Beadell considers their 2007 estimate confirms the style, grade and magnitude of mineralisation previously reported in the Tartaruga Project.

Snowden considers that Beadell's 2007 estimate of tonnes and grade for the Tartaruga Project mineralisation is conceptual in nature and has not been prepared in accordance with the 2004 JORC guidelines. Additional exploration and QAQC is required to define a Mineral Resource consistent with the 2004 JORC Code.

4.5.5 Snowden's Opinion

Based on its review of the available technical data, Snowden considers that there is currently no estimate for the Tartaruga Project which may be classified as a Mineral Resource in accordance with the 2004 JORC guidelines.

The estimates completed as part of the 1987, 2005 and 2007 studies highlight a series of exploration targets. These targets range in size from 2.0 to 3.2 Mt with estimated gold grades ranging from 1.5 to 3.8 g/t using a nominal 1.0 g/t Au reporting cut-off. Snowden understands that this cut-off grade was arbitrarily selected to allow comparison between the previous estimates and is not based on geostatistical evaluation of this specific deposit.

Snowden believes that given the level of data available, the results presented in these previous studies highlight the exploration potential of the mineralisation in the Tartaruga Project area. There is good potential to increase the size of the exploration target based on Snowden's understanding that the previous estimates did not incorporate all known mineralisation. Snowden emphasises however, that the Tartaruga Project mineralisation is still conceptual in nature and that there is insufficient QAQC data to define a Mineral Resource in accordance with the 2004 JORC guidelines. As a result, the previous estimates should be considered to be of low confidence and should be revised by Beadell upon listing on the ASX.

4.5.6 Exploration Potential

Beadell's review of the exploration potential in the Tartaruga Project included the evaluation of all historical estimates, the generation of Beadell's own independent estimate and the assessment of the grade distribution using a technique known as "Leapfrog".

Leapfrog is a technique used to contour data in 3D and aid visualisation of certain aspects of the mineralisation, such as the gold grade. The method uses the drillhole assay data to determine the preferred orientation for mineralisation, identify the data limits and highlight prospective areas.

Beadell's evaluation of the Tartaruga Project using this technique confirmed the geometry of the main gold deposits at Mineiro, Mandiocal and Bananal and also identified a series of additional targets along strike to the southeast that warrant further exploration. Each area identified by Beadell as having exploration potential is shown in Figure 4.6 and summarised in the section below:

Liophis Area

The Liophis area is located on the central-eastern edge of the Tartaruga Project tenement and along strike of the main Mineiro mineralised trend. The area contains limited exposures of the sericite-altered quartzite units that typically host gold mineralisation elsewhere within the project. Two shafts have been previously developed by artisanal miners in this area to access near surface gold mineralisation. Soil sampling undertaken as part of the 2005 study has also identified anomalous gold results, confirming the area as a target for additional gold mineralisation.

Beadell recognise this area as being highly prospective but largely untested. As such, Beadell have proposed a programme comprising ground mapping and additional soil sampling.

Liophis to Mineiro Area

In 1987, the discovery of the Buracão deposit confirmed the area between Liophis and the Mineiro pit as being prospective for gold mineralisation. Two drillholes at Buracão intersected gold mineralisation similar in style and grade to that in Mineiro. A small open pit has also been previously developed by the garimpeiros to access the known gold mineralisation at the Buracão deposit.

In 2005, two follow-up diamond drillholes tested the eastern and northwestern strike extents to the Buracão deposit but failed to intersect significant gold mineralisation. Beadell's analysis of the preferred orientation of mineralisation using Leapfrog however, indicates that these two drillholes were incorrectly positioned in order to test the gold mineralisation. As a result, Beadell consider the Buracão deposit remains open at depth and along strike. Given the sparse nature of previous drilling, Beadell has proposed to undertake further drill testing in this area.

Beadell's review of the Mineiro deposit indicates increasing gold grades to the southeast and the presence of a shallow southerly plunge to the known gold mineralisation. Snowden concurs with this view and considers these targets require additional exploration. Given these trends, Beadell has designated the area between Buracão and Mineiro as an advanced exploration target warranting additional drilling to improve definition of the known gold mineralisation.

Furthermore, the area immediately to the east of Buracão contains the sericite altered quartzite host unit and is poorly tested by previous soil sampling and drilling. Analysis of the drillhole data indicates an increasing gold grade towards the southeast. This area remains untested and is identified by Beadell as a prospective target for further drilling.

Mandiocal Area

Beadell has reviewed the gold distribution in the Mandiocal area and consider that gold grades increase to the north and east of the existing pit. The extent of the known mineralisation in these areas is largely untested by previous drilling.

Snowden's review of the area indicates there is a potential correlation between the style of gold mineralisation and the presence of two cross-cutting faults (Figure 4.4). These faults appear to constrain the mineralisation to the south of the Mandiocal pit and highlight prospective areas along the trend of each fault to the northeast and northwest.

Snowden consider the style of gold mineralisation at Mandiocal to be more structurally related than the other Tartaruga deposits. As such, Snowden recommends that detailed structural mapping and close spaced drilling are incorporated into the exploration programme to define the controls on gold mineralisation and identify additional targets.

Bananal Area

The Bananal deposit is defined by several high grade gold intersections, including 2 m at 15.31 g/t Au from 62 m downhole in drillhole AP-MI-D-033 and 3 m at 6.59 g/t Au from 126 m downhole in drillhole AP-MI-D-004. Although a shallow open pit has previously been developed in the area to access near surface gold mineralisation, previous drilling indicates the highest grade gold mineralisation exists some 60 to 100 m below surface. With only seven drillholes in the area and no work undertaken since the 1987 study the area is identified by Beadell as being a highly prospective target.

Parinthins Area

The Parinthins area is located approximately 2.5 km northwest of the Bananal deposit. The small Cândido pit was previously developed by garimpeiros and is situated over the known gold mineralisation. No previous drilling has been completed beneath the open pit to test the gold mineralisation and as such, Beadell have highlighted the area as a potential target.

Jaboti Area

The Jaboti area is located near the northwestern edge of the Tartaruga Project tenement approximately 2 km northwest of the Parinthins and 4 km northwest of the Mineiro deposit. The area covers a sheared tonalite unit with the potential to host structurally controlled gold mineralisation akin to other gold deposits within the Vila Nova Group.

Mineiro North

The Mineiro North area was identified during the 1987 study and lies approximately 3 km north of the main Mineiro pit, but outside Beadell's tenement. The gold mineralisation at Mineiro North is associated with a sub-parallel shear zone and quartzite unit to the main Mineiro deposit. The Mineiro North shear zone and associated gold mineralisation is interpreted by Beadell to extend to the southeast into the Tartaruga Project area and define a potential target for additional gold mineralisation.

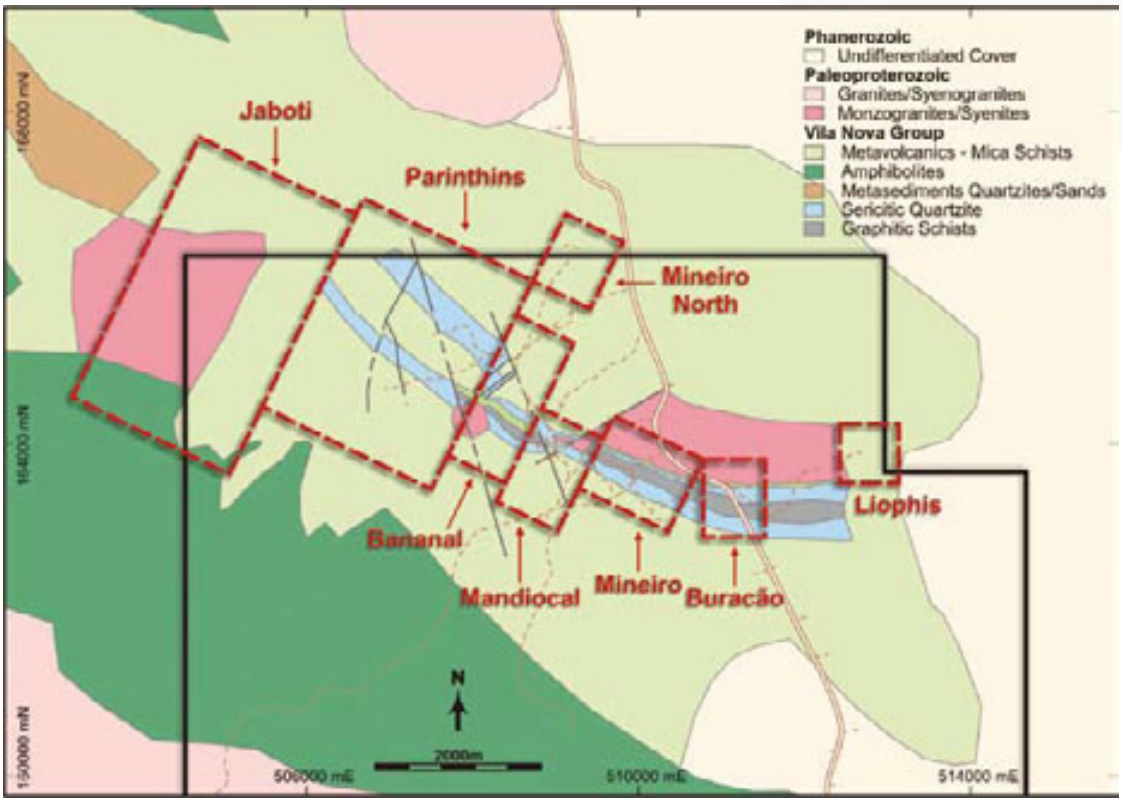


Figure 4.6: Beadell's Tartaruga Project area showing target exploration areas (supplied by Beadell)

4.5.7 Snowden's Opinion

Snowden understands that the estimates generated as part of the 1987, 2005 and 2007 studies only partially account for gold mineralisation in the target areas listed above. Given this, Snowden considers that there is good potential to define additional gold mineralisation in the Tartaruga Project, principally along the Bananal-Mandiocal-Mineiro-Buracão-Liophis line or within sub-parallel structures to the north and northwest.

In Snowden's opinion, it is realistic to expect a further gold discovery within the Tartaruga Project with ongoing exploration. It is important to note however, that should an additional discovery be made, the grade and size of the gold mineralisation may determine or limit the potential for development. Snowden's positive view of the exploration potential in the Tartaruga is based on the following points:

- The presence of extensive artisanal mining throughout the project area marks other zones of known gold mineralisation which remain largely untested at depth by previous drilling.
- The previous estimates only account for the Mineiro, Mandiocal and Bananal deposits. Gold mineralisation recognised through artisanal mining at Liophis, Buracão and Parinthins has not been incorporated in the previous estimates.
- Previous drilling of the known deposits has not closed off the lateral and down-dip extents of the gold mineralisation. Furthermore, analysis of the grade trends in each of these deposits highlights potential target areas immediately adjacent, that remain untested.
- Outside of the currently defined mineralised areas, the presence of large unexplored portions of the mapped sericite altered quartzite unit, recognised as the principal host to the gold mineralisation, is considered highly encouraging

Snowden consider that with a carefully considered exploration approach, Beadell can define additional gold mineralisation within the Tartaruga Project.

4.6 MINING, METALLURGICAL AND PROCESSING CONSIDERATIONS

4.6.1 Mining

The Tartaruga Project deposits have historically been exploited through artisanal mining of a series of shallow open pits and small shafts. The pits extend to cover a maximum strike length of 700 m, reach a depth up to 15 m below surface and generally target gold mineralisation in the oxidised zones.

A preliminary mining assessment was completed as part of the 2005 study. This study indicated that the Tartaruga Project gold deposits were amenable to open pit mining with the highest gold grades generally occurring some 40 to 50 m below surface. This study was only based on data from the 13 drillholes completed during the 2005 programme however and did not incorporate all the available data.

Snowden completed a high-level review of the grade distribution using all data from the 1987 and 2005 studies. Findings from this work concur with the general trends reported in the 2005 study, but also indicate that specific grade trends are discernable in each deposit. Snowden's work shows the highest gold grades in the Mineiro deposit are located within 40 m from surface, whereas the highest gold grades in the Bananal deposit occur some 60 to 100 m below surface.

Snowden consider that further evaluation of the mining potential of the Tartaruga Project should be based on a definitive estimate of a Mineral Resource.

4.6.2 Metallurgy

A review of the gold deportment was completed as part of the 1987 study. This study demonstrated that the gold mineralisation at Tartaruga is generally free milling, with a minor association with sulphides and tellurides.

Extraction of gold by the artisanal miners has generally been restricted to the near surface oxidised mineralisation, hosted within the weathered saprock. Gold in these workings is usually associated with oxidised sericite altered quartzite units and is recovered by means of panning / gravity separation.

Snowden understands that only limited test work has been completed by previous explorers in the area to determine the metallurgical character for the gold mineralisation in the transitional and fresh zones at Tartaruga. Snowden also understand that Beadell intends to complete additional metallurgical characterisation as part of their exploration programme. This work will assess all the potential styles of mineralisation to specifically assess the nature of the gold in the fresh rock with the sulphide and telluride species.

4.7 PROPOSED PROGRAMME AND EXPENDITURE

Beadell's exploration focus is to define a Mineral Resource prepared in accordance with the 2004 JORC Code within two years of listing on the ASX. This Mineral Resource will then be evaluated with the view to possible mine development.

Snowden support Beadell's intention to commit to a two year exploration programme to more fully assess the gold mineralisation at Tartaruga. Beadell's exploration strategy involves the simultaneous evaluation of grass roots target areas such as Jaboti, with more advanced prospects such as Mineiro. Snowden considers this approach is necessary to optimise the evaluation of the Tartaruga deposits within the two year budget period. The following objectives have been outlined by Beadell as critical to the evaluation of the Tartaruga Project:

- to re-establish confidence in the existing drillhole data
- to confirm the location and grade of the recognised gold deposits
- to test prospective areas to define additional gold mineralisation
- to generate a Mineral Resource prepared in accordance with the 2004 JORC guidelines.

In order to achieve these objectives, Beadell has proposed an exploration programme that incorporates an aerial geophysical survey, additional soil sampling and diamond drilling programmes. The proposed 2 year budget is estimated by Beadell at A$2.76M for the Tartaruga Project. Beadell's budget components are outlined in Table 4.2.

Table 4.2 Beadell proposed budget expenditure

Tartaruga Project	Year 1 (A$000)	Year 2 (A$000)	Total (A$000)
Exploration - aeromagnetic survey	125		125
Exploration - soil sampling	75		75
Exploration - drilling	555		555
Scoping and Feasibility Study		570	570
Environmental Study	45	30	75
Capital Items	285	110	395
Exploration - salaries	262	262	524
Administration	218	218	436
Total Tartaruga Project Budget	**1,565**	**1,190**	**2,755**

In Snowden's opinion, Beadell's proposed expenditures are realistic and should enable a good appreciation of the key targets identified within its Tartaruga Project area within the 2 year period. However, Snowden cautions that the proposed exploration programme in Year 2 may change from that currently stated dependent on the results obtained in Year 1 of the programme.

5. DECLARATIONS BY SNOWDEN MINING INDUSTRY CONSULTANTS PTY LTD

5.1 INDEPENDENCE

Snowden is an independent firm of consultants providing a comprehensive range of specialist technical and financial services to the mining industry in Australia and overseas, through offices in Perth, Brisbane, Johannesburg, Cape Town, Vancouver, London and Belo Horizonte. Our corporate services include technical audits, project reviews, valuations, independent expert reports, project management plans and corporate advice.

This report has been prepared independently and in accordance with the Code of the Technical Assessment and Valuation of Mineral and Petroleum Assets and Securities for Independent Experts Reports ('the VALMIN Code") and the 2004 Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves ("the JORC Code"). The authors do not hold any interest in Beadell, its associated parties, or in any of the mineral properties which are the subject of this report. Fees for the preparation of this report are being charged at Snowden's standard rates, whilst expenses are being reimbursed at cost. Payment of fees and expenses is in no way contingent upon the conclusions drawn in this report.

5.2 QUALIFICATIONS

The principal personnel responsible for the preparation and review of this report are Mr S Helm (Principal Consultant) and Mr J A J McKibben (Divisional Manager – Corporate Services).

Mr Sean Helm (BSc, MAusIMM) is a professional geologist with 16 years experience encompassing operational geology, resource estimation, project evaluation and management. Mr Helm joined Snowden in June 2007 as a Principal Consultant for the Corporate Services Division in Perth.

Mr Jeames McKibben (BSc (Hons), MBA, MAIG) has 13 years experience gained as an exploration geologist in Australia, Zambia and Morocco, and as a geologist/analyst with the government agency, Tasmania Development and Resources. Having completed his MBA at Macquarie University, Mr McKibben joined the Corporate Services Division at Snowden, where he is currently the Divisional Manager and is involved in independent technical reviews, audits and valuations of mining and exploration assets.

6. BIBLIOGRAPHY

Agincourt Resources Limited, 2007, Project Appraisal Report for Tartarugalzinho Exploration tenement, Internal report, June 2007.

Beadell Resources Ltd, 2007, IPO Proposal, Internal powerpoint presentation, May 2007.

Beadell Resources Ltd, May 2007, Certificate of Registration on Change of Name from Gibson Resources Ltd to Beadell Resources Ltd, supplied by Beadell Resources Ltd on 28/6/2007.

Beadell Resources Ltd, June 2007, Beadell Proposed Exploration Budget, Internal budget spreadsheet supplied by Beadell Resources Ltd on the 28/6/2007.

BrazMin Corp., 2004, Tartarugalzinho Gold Project Amapá State Northern Brazil, Internal report, November 2004, supplied by Beadell Resources Ltd in June 2007.

BrazMin Corp., 2005, Tartarugalzinho Gold Project Amapá State Northern Brazil, Internal report, March 2005, supplied by Beadell Resources Ltd in June 2007.

BrazMin Corp., undated, Modelling and Calculation of Deposits Tartarugalzinho Area - Amapá, extract from BrazMin internal report and supplied by Beadell Resources Ltd in July 2007.

BrazMin Corp., undated, Anexo 1 Fotos De Áreas Trabalhadas Por Garimpeiros, Internal photographs showing artisanal mining activity in Tartaruga Project, supplied by Beadell Resources Ltd in June 2007.

BrazMin Ltda, 2005, Option Agreement between Keystone Ltda and BrazMin Ltda, supplied by Beadell Resources Ltd on 27/6/2007.

BrazMin Ltda, 2007, Agreement for the Assignment of Mineral Rights and Other Covenants between BrazMin Ltda and Beadell Resources Mineração Ltda, supplied by Beadell Resources Ltd on 27/6/2007.

BrazMin Ltda, undated, Exploration Report on Tartarugalzinho project, extract from BrazMin Ltd study, supplied by Beadell on 10/7/2007.

CIA World Fact book, Brazil, downloaded from https://www.cia.gov/library/publications/the-world-factbook/geos/br.html on 15/06/2007.

Country and Commodities Reports, Brazil, 2006, Mining Journal, downloaded from http://www.mining-journal.com/registered/Annual_Review_Article.aspx?articleid=7282 on 18/6/2007.

Departamento Nacional de Produção Mineral, undated: Mining in Brazil – Basic Information for the Investor, www.dnpm.gov.br/enportal/mostra_arquivo.asp?IDBancoArquivoArquivo=431

Department of Foreign Affairs and Trade, 2005: Brazil country brief – January 2007, downloaded from www.dfat.gov.au/geo/brazil/brazil_brief.html on 10/7/2007.

FFA Legal Simples Ltda, 2007, Brazilian Legal Due Diligence, supplied by Beadell Resources Ltd on the 3/7/2007.

GFMS, Sociedade de Mineração Jurema Ltda, 2004, Gold Mining in Brazil, http://www.gfms.co.uk/Press%20Releases/Gold%20Mining%20in%20Brazil%20-%20Press%20release.pdf dated 21/9/2004, downloaded on 10/7/2007.

Jayasekera S, 1989, Study of the Electrochemistry of Gold Telluride in Acid and Alkaline Solutions, PhD Thesis, Murdoch University, Western Australia, 1989.

McReath I, Telma Lins Faraco M, 2006, Paleoproterozoic Greenstone-Granite Belts in Northern Brazil and the Former Guyana Shield – West African Craton Province, Geologia USP, Revista do Instituto de Geosciencias – USP, February 2006.

Press Release, 2005, BrazMin Corp, commences drilling and makes significant gold exploration acquisitions in Brazil, downloaded from Global Investor website http://www.globeinvestor.com/servlet/ArticleNews/story/CNW/20050524/1305242779 on 20/6/2007.

Sebastian N, yan C, Gilbert F, Andre P, Max V, yao D, 2001, A test of the hypothesis on the Guyana and West-African Shield assembly: New Paleoproterozoic paleomagnetic results from French Guyana and Ivory-Coast, downloaded from http://adsabs.harvard.edu/abs/2001AGUFMGP11A0183S on 26/6/2007.

Voicu G, Bardoux M, Stevenson R, 2001, Lithostratigraphy, geochronology and gold metallogeny in the northern Guiana Shield, South America: a review, Ore Geology Reviews 18 (2001) 211-236, June 2001.

Voicu G, Bardoux M, Jebrak M, Crepeau R, 1999, Structural, mineralogical, and geochemical studies of the Paleoproterozoic Omai gold deposit, Guyana, Economic Geology Publishing Co, 1999.

7. GLOSSARY OF TECHNICAL TERMS

abbreviations	oz – ounce, km – kilometre, m – metre, k – thousand, M – million, t – tonne, ha – hectare, bcm – bulk cubic metres, tpa – tonnes per annum, µm – microns
acid rock	An igneous rock with 10% or more of free quartz.
alteration	Change in mineral and chemical composition of rock, commonly brought about by reactions to weathering or to hydrothermal solutions.
amphibolite facies	An assemblage of minerals formed at moderate to high temperatures during regional metamorphism, characterised by the presence of the minerals hornblende and biotite.
andesite	A fine grained volcanic rock with phenocrysts of plagioclase and mafic minerals.
anomaly	An area where exploration has revealed results higher (or sometimes lower) than the local background level.
anomalous	A departure from the expected norm. In mineral exploration this term is generally applied to either geochemical or geophysical values higher or lower than the norm.
Archaean	The oldest rocks of the Earth's crust - older than 2,400 million years.
Banded Iron Formation (BIF)	A rock composed of iron oxides and chert with distinct layers or bands.
basement	The igneous and metamorphic crust of the earth, underlying sedimentary deposits.
breccia	Rock comprising angular fragments enclosed in a matrix.
bulk density	The weight of a material divided by the volume it occupies (including pore spaces).
carbonate	Common mineral type consisting of carbonates of calcium, iron, and/or magnesium
chalcopyrite	A common sulphide ore of copper, $CuFeS_2$.
chemical symbols	Au – Gold, Ag – Silver, Cu – Copper
chert	A hard, extremely fine grained sedimentary rock consisting almost entirely of interlocking quartz crystals, of which flint is a dark variety.

craton	Large, and usually ancient, stable mass of the earth's crust.
Cretaceous	The period of time extending from 136 to 64 m.y. ago.
cyanidation	A method of extracting gold by dissolving it in a weak cyanide solution.
diamond drilling	Mineral exploration hole completed using a diamond set or diamond impregnated drill bit for retrieving a cylindrical core of rock.
diorite	A dark, coarse grained intrusive igneous rock composed of feldspar and iron and magnesium rich minerals.
dip	The angle at which a rock stratum or structure is inclined from the horizontal.
disseminated	Said of particles distributed finely and evenly throughout a matrix.
dolerite	A medium grained basic intrusive rock composed mainly of pyroxenes and sodium-calcium feldspar.
dyke	A tabular intrusion of igneous rock that cuts across the planar structure of the surrounding rock.
fault	A fracture or fracture zone, along which displacement of opposing sides has occurred.
felsic	Light colour rocks containing an abundance of any of the minerals feldspar, feldspathoid and silica.
foliation	The banding or lamination of metamorphic rocks as distinguished from stratification in sedimentary rocks.
footwall	The underlying side of a fault, orebody or mine working.
g/t	Grams per tonne, a standard mass unit for demonstrating the concentration of precious metals in a rock, equivalent to parts per million (ppm).
galena	Lead sulphide with chemical composition PbS.
garimpeiros	Artisanal miners
garimpos	Artisanal mines or prospects
geophysical survey	A survey measuring the physical properties of a rock mass, typically recording the magnetic, electrical or radiometric properties. Commonly used to assist in determining the nature of the sub-surface rock mass.
gneiss	A metamorphic rock of coarse grain size, usually exhibiting banding.
granitoid	A general term to describe coarse grained felsic intrusive igneous rocks, resembling granite.
granodiorite	A coarse grained igneous rock containing quartz, plagioclase (sodium–calcium) feldspar and potassium feldspar with biotite, hornblende or pyroxene.
greenschist facies	Conditions of metamorphism characterised by chlorite, epidote and/actinolite.
greenstone	A collective term for slightly altered mafic igneous rocks.
hangingwall	The overlying side of a fault, orebody or mine working.
igneous	A rock that has solidified from molten material or magma.
intermediate	A rock unit which contains a mix of felsic and mafic minerals.
intrusion/intrusive	A body of igneous rock that invades older rocks.
JORC	The Joint Ore Reserves Committee (Australia).
kriging	A method of spatial data interpolation to estimate mineral resources.
lineament	A significant linear feature of the earth's crust, usually equating a major fault or shear structure.
lithology	A term pertaining to the general characteristics of rocks. It generally relates to descriptions based on hand sized specimens and outcrops rather than microscopic or chemical features.
mafic	Pertaining to, or composed dominantly of, the dark coloured ferromagnesian rock forming silicates.
mafic volcanic	Volcanic rocks dominantly comprised of ferromagnesian minerals.
metallogenic	Association of metal ores that is peculiar to a particular region, or period of time.
metamorphism	The process of altering a rock by temperature and/or pressure.
metasediments	Metamorphosed sedimentary rocks.
Mineral Resource	The estimated quantity and grade of mineralisation that is of potential merit. A resource estimate does not require specific mining, metallurgical, environmental, price or cost data, but the nature and continuity of mineralisation must be understood to a specific degree of knowledge.
oxide zone	Near surface material affected by weathering and leaching of minerals.
Palaeozoic	The era ranging from 600 to 230 m.y. ago.
plunge	The inclination of a linear geological structure from the horizontal.
Precambrian	The period of time between the consolidation of the Earth's crust and the beginning of life – approximately 4.5 b.y. ago to 530 ± 40 m.y. ago.
Proterozoic	Between 2,500 million years and 542 million years ago. Divided into the Paleoproterozoic (2,500–1,600 m.y), Mesoproterozoic (1,600-1,000 m.y.) and Neoproterozoic (1,000 – 542 m.y.) periods.
pyrite	An iron sulphide mineral FeS_2.
pyrrhotite	An iron sulphide mineral, FeS(n-1).
quartz	Mineral species composed of crystalline silica.
quartzite	A quartz-rich sandstone that has been metamorphosed or indurated by the recrystallisation of silica.
sandstone	A sedimentary rock composed of cemented or compacted detrital minerals, principally quartz grains.
schist	A micaceous crystalline metamorphic rock having a foliated structure due to the recrystallisation of the constituent minerals.
sediment	A rock formed of particles which were deposited from suspension in water, wind or ice.
sericite	A white or pale apple green potassium mica, very common as an alteration product in metamorphic and hydrothermally altered rocks.
shaft	A vertical or inclined tunnel from the surface, through which underground excavations can be entered and by which ore and waste may be removed.
shear zone	A zone in which shearing has occurred on a large scale, such that the rock is deformed dominantly by ductile deformation.
silicification	Replacement by, or introduction of, appreciable quantities of silicon dioxide minerals.
siltstone	A rock intermediate in character between shale and sandstone. Composed of silt sized grains.
sphalerite	Zinc sulphide, with chemical composition ZnS.
stockwork	A network of (usually) quartz veinlets of varying orientation, produced during pervasive brittle fracture.

stratabound	Restricted to a particular stratigraphic unit or part of the stratigraphic column.
stratiform	Parallel to bedding and with limited development perpendicular to it.
strike	The direction of bearing of a bed or layer of rock in the horizontal plane.
Tertiary	A period of geological time from 1.8 to 66 m.y. ago.
thrust fault	A low angle (shallowly inclined) fault or shear on which the rocks on the top have moved up and over the rocks on the bottom.
tuff	A rock composed of volcanic ash.
ultramafic	Referring to an igneous rock in which more than 90% of the minerals are ferromagnesium minerals, with only trace quartz and feldspar.
vein	A thin infill of a fissure or crack, commonly bearing quartz.
volcanic	Formed or derived from a volcano.
volcanoclastic	Sediments comprising rock fragments derived by explosion or eruption from a volcanic vent.

5. Investigating Accountant's Report

STANTON PARTNERS CORPORATE PTY LTD
A.C.N 063 036 331
1 HAVELOCK STREET
WEST PERTH 6005
WESTERN AUSTRALIA

TELEPHONE: (08) 9481 3188
FACSIMILE: (08) 9321 1204

e-mail: jvdieren@stantons.com.au

9 August 2007

The Directors
Beadell Resources Ltd
Level 2
16 Ord Street
WEST PERTH WA 6005

Dear Sirs

RE: INVESTIGATING ACCOUNTANT'S REPORT

1. Introduction

This report has been prepared at the request of the Directors of Beadell Resources Ltd ("Beadell" or "the Company") for inclusion in a Prospectus to be dated on or around 10 August 2007 ("the Prospectus") relating to the proposed issue by Beadell of 60,000,000 shares to be issued at a price of 25 cents per share to raise $15,000,000. There is no minimum subscription.

2. Basis of Preparation

This report has been prepared to provide investors with information on historical results, the consolidated balance sheet of Beadell and the pro-forma consolidated balance sheet of Beadell as noted in Appendix 2. The historical and pro-forma financial information is presented in an abbreviated form, insofar as it does not include all of the disclosures required by Australian Accounting Standards applicable to annual financial reports in accordance with the Corporations Act 2001. This report does not address the rights attaching to the securities to be issued in accordance with the Prospectus, nor the risks associated with the investment. Stanton Partners Corporate Pty Ltd has not been requested to consider the prospects for the Beadell Group, the securities on offer and related pricing issues, nor the merits and risks associated with becoming a shareholder and accordingly, has not done so, nor purports to do so. Stanton Partners Corporate Pty Ltd accordingly takes no responsibility for those matters or for any matter or omission in the Prospectus, other than responsibility for this report. Risk factors are set out in Section 8 of the Prospectus.

3. Background

Beadell was incorporated on 3 May 2007 as Gibson Resources Ltd with an issued capital of 3 shares of $1 each. During the period to 30 June 2007, the Company issued 16,650,000 shares at approximately 0.991 cent per share for a total of $165,000 to directors and 1,700,000 shares at 1 cent to a related party of the proposed Chairman of the Company. As at 30 June 2007, the Company had 18,350,003 shares on issue with a paid up capital of $182,003. On 11 May 2007, the Company' shareholders resolved to change the name of the Company to Beadell Resources Ltd. This was ratified by the Australian Securities and Investments Commission on 18 May 2007.

On 25 June 2007 the Company issued 1,500,000 options to directors at 0.15 cent each for a total amount of $2,250. The options are exercisable at 35 cents on or before 30 June 2012. On 25 June 2007 the Company also issued 1,500,000 options to directors at 0.05 cent each for a total amount of $750. The options are exercisable at 50 cents each on or before 30 June 2012. The total amount raised on the issue of options was $3,000 of which $2,000 was received before 30 June 2007 and $1,000 was received on 2 July 2007.

In June 2007, the Company incorporated in Brazil a company named Beadell Resources Mineracao Ltda ("BRML") with share capital of 100,000 shares of 1 Real each. 99,999 shares were issued in the name of Peter Bowler on behalf of the Company and one share issued to Soraya Lopez Ferraz. On 18 July 2007, Peter Bowler transferred 99,999 shares to the Company and Soraya Lopez Ferraz transferred one share to Peter Bowler.

On 2 July 2007 the Company entered into a Tenement Sale Agreement with Oxiana Limited ("Oxiana"), Wiluna Operations Limited and Agincourt Resources (Exploration) Pty Ltd ("collectively known as the Vendors") to acquire various tenements ("Tenements") listed amongst others, in the schedule to the Tenement Summary in Section 6 of the Prospectus and Mining Information in Australia for $3,200,000. Settlement of the consideration will be by way of issue of 12,800,000 shares in the Company to Oxiana (or its nominee) at the Initial Public Offering Price ("IPO") price of 25 cents per share and is payable on Beadell achieving an ASX listing. Other conditions are set out in the Material Contracts section 7 of the Prospectus. Under the Tenement Sale Agreement, the Company has granted earn-in options to the Vendors as soon as a delineated body of ore is identified within the Tenements containing either 800,000 tonnes of copper, 3,000,000 ounces of gold or 200,000 tonnes of nickel. Within 60 days of receiving notice of such ore body Oxiana may by notice in writing elect to acquire a 51% interest in the relevant Tenement and all Mining Information that relates to the ore body by offering to incur a sum of expenditure on further exploration equal to the fair market value of the earn-in interest or by paying a cash sum equal to the fair market value of the earn in interest.

In August 2007, BRML entered into an Agreement For The Assignment of Mineral Rights and Other Covenants ("Mineral Rights Agreement") with Brazmin Ltda ("Brazmin") to acquire the mineral rights for the Tartarugalzinho Project ("Tartaruga"). BRML is to pay an initial amount of US$50,000 (paid by Beadell on behalf of BRML on 8 June 2007 in the amount of $59,530) plus US$100,000 (approximately $114,942) on listing but in any event no later than 30 September 2007 and US$500,000 in Beadell shares (approximately 2,298,851 shares at a deemed 25 cents each and assumed exchange rate of 1AUD=0.87USD within 10 days of Beadell achieving an ASX listing but no later than 30 September 2007).

In the event that Beadell is not listed in time to issue such shares before 30 September 2007, a further 105,000 shares will be issued and the date of issue will be extended to 30 November 2007. Should the issue not be made by that date BRML will be liable to return the mineral rights and forfeit the payments made. On the assignment of the mineral rights by Brazmin to BRML, BRML undertakes to make the annual payments required to be made by Brazmin to Keystone Ltda ("Keystone") in terms of an option agreement entered into between Brazmin and Keystone on 17 April 2005. Beadell on behalf of BRML made a payment of US$50,000 ($59,004) on 25 June 2007 in terms of this agreement. Additionally in terms of the option agreement Beadell is required to make an annual payment of US$100,000 (approximately AUD$114,942 based on an assumed exchange rate of 1AUD=0.87USD) on 15 January of each year. Should BRML develop a mine the annual payments of US$100,000 will be discontinued and a monthly gold production royalty of 1.7% (of which 1.2% is payable to Keystone) will be payable subject to a minimum amount of US$60,000 per annum.

The Company in July 2007 entered conditional employment contracts with Peter Bowler ("Bowler") for the position of Managing Director, Rob Watkins for the positions of Executive Director- Exploration and Greg Barrett for the position of Company Secretary. The basic terms (conditional on ASX listing of Beadell) are an initial annual salary (inclusive of statutory superannuation) of $228,000, $218,000 and $218,000 respectively which is to be reviewed annually in June. The employment contract is subject to a 3 month termination notice by either the Company or Bowler, Watkins and Barrett respectively.

The Company in June 2007 entered into an employment agreement with Jenny Abello ("Abello") for the position of Senior Project Geologist. The basic terms are an initial annual salary of $109,000 (inclusive of statutory superannuation) and the commencement date of employment was 6 June 2007. As part of the remuneration Abello has been granted 50,000 incentive options exercisable at 25 cents each on or before 30 June 2011 vesting upon listing, 50,000 options exercisable at 25 cents on or before 30 June 2011 vesting on 30 June 2008 and 75,000 options exercisable at 25 cents on or before 30 June 2011 vesting on 30 June 2009. These options will be granted subject to listing on the ASX. The total options have been valued at $18,919 using the Black-Scholes model. The assumptions used in the valuation are an exercise price of 25 cents per option, volatility of 80%, 1395 days to exercise, interest rate of 6.4% and a 30% discount for the options being unlisted.

The Company in July 2007 entered into an employment agreement with Paul Tan ("Tan") for the position of Exploration Manager-Australia. The basic terms are an initial salary of $152,600 (inclusive of statutory superannuation) and the commencement date of employment is 3 September 2007. As part of the remuneration Paul Tan has been granted 75,000 incentive options exercisable at 25 cents each on or before 30 June 2011 vesting upon listing, 75,000 options exercisable at 25 cents on or before 30 June 2011 vesting on 30 June 2008 and 75,000 options exercisable at 25 cents on or before 30 June 2011 vesting on 30 June 2009. The total options have been valued at $24,322 using the Black-Scholes model. The assumptions used in the valuation are an exercise price of 25 cents per option, volatility of 80%, 1395 days to exercise, interest rate of 6.4% and a 30% discount for the options being unlisted.

Potential investors should read the Prospectus in full that includes two Independent Geologists' Reports and a Tenements Summary Report. We make no comments as to ownership or values of the current and proposed mineral tenement interests of the Beadell Group. Further details on all significant contracts entered into by the Company and BRML since incorporation are referred to in the Material Contracts Section 7 of the Prospectus.

4. Scope of Examination

You have requested Stanton Partners Corporate Pty Ltd to prepare an Independent Accountant's Report on:

a) The consolidated results (income statement) of Beadell and its subsidiary from incorporation to 30 June 2007;
b) The consolidated balance sheet of Beadell as at 30 June 2007; and
c) The consolidated pro-forma balance sheet of Beadell at 30 June 2007 adjusted to include funds to be raised by the Prospectus and the completion of transactions referred to in note 2 of Appendix 3.

All of the financial information referred to above has not been audited, however it has been subject to audit review. The Directors of Beadell are responsible for the preparation and presentation of the historical and pro-forma financial information, including the determination of the pro-forma transactions. We have however examined the financial statements and other relevant information and made such enquiries, as we considered necessary for the purposes of this report. The scope of our examination was substantially less than an audit examination conducted in accordance with Australian Auditing Standards and accordingly, we do not express such an opinion. Our examination included:

a) Discussions with Directors and other key management of Beadell;
b) Review of contractual arrangements;
c) A review of publicly available information; and
d) A review of work papers, accounting records and other documents.

5. Opinion

In our opinion, the pro-forma consolidated balance sheet as set out in Appendix 2 presents fairly, the pro-forma consolidated balance sheet of Beadell as at 30 June 2007 in accordance with the accounting methodologies required by Australian Accounting Standards on the basis of assumptions and transactions set out in Appendix 3. No opinion is expressed on the historical results and balance sheets, as shown in Appendix 1, except to state that nothing has come to our attention which would require any further modification to the financial information in order for it to present fairly, the balance sheets as at 30 June 2007 and the results of the period identified.

To the best of our knowledge and belief, there have been no other material items, transactions or events subsequent to 30 June 2007, that have come to our attention during the course of our review which would cause the information included in this report to be misleading.

6. Other Matters

At the date of this report, Stanton Partners Corporate Pty Ltd does not have any material interest in Beadell either directly or indirectly, or in the outcome of the offer. Stanton Partners Corporate Pty Ltd was not involved in the preparation of any other part of the Prospectus, and accordingly, makes no representations or warranties as to the completeness and accuracy of any information contained in any other part of the Prospectus.

Stanton Partners Corporate Pty Ltd consents to the inclusion of this report (including Appendices 1 to 3) in the Prospectus in the form and content in which it is included. At the date of this report, this consent has not been withdrawn.

Yours faithfully
STANTON PARTNERS CORPORATE PTY LTD

J P Van Dieren FCA
Director

INVESTIGATING ACCOUNTANT'S REPORT

APPENDIX 1 – UNAUDITED CONSOLIDATED INCOME STATEMENT

	Beadell 3 May 2007 to 30 June 2007 $
Interest income	348
Business development costs	(24,632)
General and administration costs	(14,132)
Consultants and advisors fees	(20,749)
Legal costs	(7,219)
Incorporation and filing fees	(984)
Exchange losses	(774)
Net (loss) before tax	(68,142)
Income tax expense attributable to net loss	-
Net (loss) after tax	(68,142)

APPENDIX 2 – UNAUDITED CONSOLIDATED BALANCE SHEETS

	Note	Consolidated Beadell 30 June 2007 $	Pro-forma Consolidated Beadell 30 June 2007 $
Current Assets			
Cash assets	3	54,285	13,847,133
Receivables	4	3,694	-
Total Current Assets		57,979	13,847,133
Non Current Assets			
Investments	5	-	-
Mineral Acquisition costs	6	117,786	4,079,441
Total Non Current Assets		117,786	4,079,441
Total Assets		175,765	17,926,574
Current Liabilities			
Trade and other payables	7	58,904	-
Borrowings	8	-	-
Total Current Liabilities		58,904	-
Total Liabilities		58,904	-
Net Assets		116,861	17,926,574
Equity			
Issued capital	9	182,003	18,041,716
Option reserve	10	3,000	16,514
Accumulated losses	11	(68,142)	(131,656)
Total Equity		116,861	17,926,574

Notes to the Income Statement and Balance Sheets are attached

INVESTIGATING ACCOUNTANT'S REPORT

APPENDIX 3

NOTES TO THE UNAUDITED INCOME STATEMENT AND BALANCE SHEETS

1. Statement of Significant Accounting Policies

(a) Basis of Accounting

The unaudited Income Statement and unaudited Balance Sheets have been prepared in accordance with applicable accounting standards, the Corporations Act 2001 and mandatory professional reporting requirements in Australia (including the Australian equivalents of International Financial Reporting Standards) and we have made such disclosures as considered necessary. They have also been prepared on the basis of historical cost and do not take into account changing money values. The accounting policies have been consistently applied, unless otherwise stated.

(b) Income Tax

The charge for current income tax expense is based on the profit for the year adjusted for any non assessable or disallowed items. It is calculated using tax rates that have been enacted or are substantially enacted as at balance date. Deferred tax is accounted for using the balance sheet liability method in respect of temporary differences arising between the tax bases of assets and liabilities and their carrying amounts in the financial statements. No deferred income tax will be recognised from the initial recognition of an asset or liability, excluding a business combination, where there is no effect on accounting or taxation profit or loss. Deferred income tax assets are recognised to the extent that it is probable that the future tax profits will be available against which deductible temporary differences will be utilised. The amount of the benefits brought to account or which may be realised in the future is based on the assumption that no adverse change will occur in the income taxation legislation and the anticipation that the economic unit will derive sufficient future assessable income to enable the benefits to be realised and comply with the conditions of deductibility imposed by law.

(c) Exploration, Evaluation and Development Expenditure

Exploration and evaluation costs are expensed as incurred. Acquisition costs are accumulated in respect of each separate area of interest. Acquisition costs are carried forward where right of tenure of the area of interest is current and they are expected to be recouped through sale or successful development and exploitation of the area of interest or, where exploration and evaluation activities in the area of interest have not yet reached a stage that permits reasonable assessment of the existence of economically recoverable reserves. When an area of interest is abandoned or the Directors decide that it is not commercial, any accumulated costs in respect of that area are written off in the financial period the decision is made. Each area of interest is also reviewed at the end of each accounting period and accumulated acquisition costs written off to the extent that they will not be recoverable in the future. Amortisation is not charged on acquisition costs carried forward in respect of areas of interest in the development phase until production commences. Development costs are capitalised. Amortisation is not charged on costs carried forward in respect of areas of interest in the development phase until production.

(d) Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value, less where applicable, any accumulated depreciation and impairment losses. The carrying amount of the plant and equipment is reviewed annually by the Directors to ensure it is not in excess of the recoverable amount of these assets. The recoverable amount is assessed on the basis of the expected net cash flows that will be received from the assets employed and their subsequent disposal. The expected net cash flows have been discounted to their present value in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, is depreciated on a straight line basis over their useful lives to the Company commencing from the time the asset is held ready for use. The asset's residual value and useful lives are reviewed and adjusted if appropriate, at each balance sheet date.

An asset's carrying value is written down immediately to its recoverable amount if the asset's carrying value is greater than the estimated recoverable amount. Gains and losses on disposal are determined by comparing proceeds with the carrying amount. These gains and losses are included in the income statement.

(e) Trade and other accounts payable

Trade and other accounts payable represent the principal amounts outstanding at balance date, plus, where applicable, any accrued interest.

(f) Recoverable Amount of Non Current Assets

The carrying amounts of non-current assets are reviewed annually by Directors to ensure they are not in excess of the recoverable amounts from those assets. The recoverable amount is assessed on the basis of the expected net cash flows, which will be received from the assets employed and subsequent disposal. The expected net cash flows have been or will be discounted to present values in determining recoverable amounts.

(g) Operating Revenue

Revenue represents interest received and reimbursements of exploration expenditures.

(h) Issued Capital

Ordinary Shares are classified as equity.

Incremental costs directly attributable to the issue of new shares or options are shown in equity as a deduction, net of tax, from the proceeds. Incremental costs directly attributable to the issue of new shares or options, or for the acquisition of a business, are included in the cost of the acquisition as part of the purchase consideration.

(i) Principles of Consolidation

The consolidated financial statements comprise the financial statements of Beadell Resources Ltd and its subsidiaries ("the Group"). The financial statements of the subsidiary are prepared for the same reporting period as the parent company, using consistent accounting policies.

Adjustments are made to bring into line any dissimilar accounting policies that may exist. All intercompany balances and transactions, including unrealised profits arising from intra-group transactions, have been eliminated in full. Unrealised losses are eliminated unless costs cannot be recovered. Subsidiaries are consolidated from the date on which control is transferred to the Group and cease to be consolidated from the date on which control is transferred out of the Group. Where there is loss of control of a subsidiary, the consolidated financial statements include the results for the part of the reporting period during which Beadell Resources Ltd has control.

(j) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date. In determining the present value of future cash outflows, the market yield as at the reporting date on national government bonds, which have terms to maturity approximating the terms of the related liability, are used.

(k) Share based payments

The Group provides benefits to employees (including Directors) of the Group in the form of share-based payment transactions, whereby employees render services in exchange for shares or rights over shares ("equity-settled transactions"). The cost of these equity-settled transactions with employees is measured by reference to the fair value at the date at which they are granted. The fair value is determined by an internal valuation using Black-Scholes or Binomial option pricing models.

The cost of equity-settled transactions is recognised, together with a corresponding increase in equity, over the period in which the performance conditions are fulfilled, ending on the date on which the relevant employees become fully entitled to the award ("vesting date"). The cumulative expense recognised for equity-settled transactions at each reporting date until vesting date reflects (i) the extent to which the vesting period has expired and (ii) the number of awards that, in the opinion of the directors of the Group, will ultimately vest. This opinion is formed based on the best available information at balance date. No adjustment is made for the likelihood of market performance conditions being met as the effect of these conditions is included in the determination of fair value at grant date.

No expense is recognised for awards that do not ultimately vest, except for awards where vesting is conditional upon a market condition. Where an equity-settled award is cancelled, it is treated as if it had vested on the date of cancellation, and any expense not yet recognised for the award is recognised immediately. However, if a new award is substituted for the cancelled award, and designated as a replacement award on the date that it is granted, the cancelled and new award are treated as if they were a modification of the original award.

(l) Critical accounting estimates and judgements

The Directors evaluate estimates and judgements incorporated into the financial report based on historical knowledge and best available current information. Estimates assume a reasonable expectation of future events and are based on current trends and economic data, obtained both externally and within the group.

2. Actual and Proposed Transactions to Arrive at Pro-forma Unaudited Consolidated Balance Sheet

Actual and proposed transactions adjusting the 30 June 2007 unaudited Balance Sheet of Beadell in the pro-forma consolidated Balance Sheet of Beadell are as follows:

(a) The payment of in cash of US$100,000 (AUD$114,942 at an estimated exchange rate of 1AUD=0.87USD) and payment of US$500,000 (AUD$574,713) by the issue of 2,298,851 shares (based on an exchange rate of 1AUD=0.87USD) at a deemed price of 25 cents in Beadell after ASX listing relating to the acquisition by BRML of tenements in Brazil. The number of shares to be issued may vary dependent on the exchange rate at the time of issue of the shares;
(b) The issue of 12,800,000 shares in Beadell to Oxiana at a deemed cost of $3,200,000 to acquire various tenements in Australia;
(c) The issue of 60,000,000 shares at 25 cents each pursuant to the Prospectus to raise a gross $15,000,000;
(d) The payment of expenses of the Prospectus issue totalling an estimated $915,000;
(e) The payment of accounts payable of $58,904 for Beadell ;
(f) The incurring of additional group administration and other costs of say $50,000;
(g) The receipt of GST of $2,694;
(h) The receipt of funds borrowed of $99,000;
(i) Repayment of borrowings of $99,000 from the IPO proceeds;
(j) Receipt of outstanding funds of $1,000 for options issued on 25 June 2007;
(k) The payment of the estimated stamp duty costs of $72,000 (inclusive of GST) on the acquisition of tenements from Oxiana; and
(l) The estimated value of 75,000 options issued to Tan ($8,108) and 50,000 options issued to Abello ($5,406) that immediately vest on the Company listing on the ASX.

	Note 2	Unaudited Consolidated Beadell 30 June 2007 $	Unaudited Consolidated Beadell Pro-forma 30 June 2007 $
3. Cash Assets			
The movements in cash assets are as follows:			
Unaudited 30 June 2007		54,285	54,285
Payment for acquisition of tenements	(a)	-	(114,942)
Issue of shares	(c)	-	15,000,000
Prospectus and share issue costs	(d)	-	(915,000)
Payment of payables	(e)	-	(58,904)
Administration costs	(f)	-	(50,000)
Receipt of GST	(g)	-	2,694
Receipt of funds borrowed	(h)	-	99,000
Repayment of borrowings from IPO funds	(i)	-	(99,000)
Receipt of funds for options issued	(j)	-	1,000
Payment of stamp duty	(k)	-	(72,000)
		54,285	13,847,133
4. Receivables			
Current			
GST receivable/other		3,694	3,694
Less GST received	(g)	-	(2,694)
Less receipt of funds for options issued	(j)	-	(1,000)
		3,694	-

	Note 2	Unaudited Consolidated Beadell 30 June 2007 $	Unaudited Consolidated Beadell Pro-forma 30 June 2007 $
5. Investments			
Shares in wholly owned subsidiary		61,087	61,087
Less eliminated on consolidation		(61,087)	(61,087)
		-	-
Loans to Beadell Resources Mineracao Ltda		63,401	63,401
Cash payment for acquisition of tenements	(a)	-	114,942
Payment for tenements via issue of shares in Beadell	(a)	-	574,713
Less eliminated on consolidation		(63,401)	(753,056)
		-	-
Total Investments		-	-

Beadell owns 100% of the issued capital of BRML comprising 100,000 shares of 1 Real each (AUD$61,087 converted at the 30 June 2007 exchange rate of 1AUD=1.637 Reals). The advances to the subsidiary are unsecured, interest free and have no fixed terms of repayment.

6. Mineral Acquisition Costs			
Balance at 30 June 2007		117,786	117,786
Acquisition of tenements	(a)	-	114,942
Acquisition of tenements	(a)	-	574,713
Acquisition of tenements	(b)	-	3,200,000
Estimated stamp duty	(k)	-	72,000
		117,786	4,079,441
7. Trade and other payables			
Trade and other payables		58,904	58,904
Less: Payment of trade and other payables	(e)	-	(58,904)
		58,904	-
8. Borrowings			
Balance at 30 June 2007		-	-
Receipt of funds borrowed	(h)	-	99,000
Repayment of borrowings from IPO funds	(i)	-	(99,000)
		-	-

The amounts borrowed are unsecured, interest free and will be repaid from the proceeds of the IPO.

	Note 2	Unaudited Consolidated Beadell 30 June 2007 $	Unaudited Consolidated Beadell Pro-forma 30 June 2007 $
9. Issued Capital			
Ordinary Shares			
18,350,003 shares at 30 June 2007		182,003	182,003
2,298,851 shares to vendors at 25 cents per share	(a)	-	574,713
12,800,000 shares to vendors at 25 cents per share	(b)	-	3,200,000
60,000,000 shares pursuant to the Prospectus	(c)	-	15,000,000
		182,003	18,956,716
Less: estimated share issue costs	(d)	-	(915,000)
Pro-forma (93,448,854 shares)		182,003	18,041,716

10. Options Reserve

Balance 30 June 2007		3,000	3,000
Options issued to Tan and Abello	(l)	-	13,514
		3,000	16,514

The options reserve balance at 30 June 2007 comprises 1,500,000 options issued at 0.05 cents each and 1,500,000 options issued at 0.15 cents each in June 2007. On the Company listing on the ASX, Tan and Abello will be issued with 225,000 and 175,000 options respectively exercisable at 25 cents each on or before 30 June 2011. The amount of $13,514 is the estimated value of 125,000 options that vest immediately on the Company listing (refer background section for further details and assumptions used in the valuation of the options). Assuming no options are exercised before the Company lists on the ASX and after the issue of the options to Tan and Abello pursuant to their employment agreements, the options outstanding will be:

- 1,500,000 options exercisable at 35 cents on or before 30 June 2012;
- 1,500,000 options exercisable at 50 cents on or before 30 June 2012;
- 125,000 options exercisable at 25 cents on or before 30 June 2011 vesting immediately;
- 125,000 options exercisable at 25 cents on or before 30 June 2011 vesting on 30 June 2008; and
- 150,000 options exercisable at 25 cents on or before 30 June 2011 vesting on 30 June 2009.

11. Accumulated Losses

Balance 30 June 2007		(68,142)	(68,142)
Administration costs	(f)	-	(50,000)
Share based payments-options issued	(l)		(13,514)
		(68,142)	(131,656)

12. Contingent Liabilities and Commitments

On the assignment of the mineral rights by Brazmin to BRML, BRML undertakes to make the annual payments required to be made by Brazmin to Keystone Ltda ("Keystone") in terms of an option agreement entered into between Brazmin and Keystone on 17 April 2005. Beadell on behalf of BRML made a payment of US$50,000 (AUD$59,004) on 25 June 2007 in terms of this agreement. Additionally in terms of the option agreement Beadell is required to make an annual payment of US$100,000 (approximately $114,942 based on an exchange rate of 1AUD=0.87USD) on 15 January of each year. Should BRML develop a mine the annual payments of US$100,000 will be discontinued and a monthly production royalty of 1.7% will be payable subject to a minimum amount of US$60,000.

The Company has indemnified Oxiana and its related body corporates against all claims and liabilities arising out of a fatal accident which occurred in December 2006 at one of the Reedy Creek, Victoria Tenements being acquired by the Company. The liability of the Company under the indemnity does not exceed $400,000 and the indemnity does not cover legal costs.

Based on discussions with the Directors and legal advisors, to our knowledge, the Company has no other material commitment or contingent liabilities not otherwise disclosed in this Investigating Accountant's Report (refer Background section 3) and in the Prospectus. Investors should read the Independent Geologists' Report for further possible contingencies and commitments. A number of tenements may be subject to royalty payments on production of minerals.

For details on proposed exploration commitments on mineral tenements, refer to the Independent Geologists' Reports in the Prospectus and section 3.4 of the Prospectus.

13. Rental Of Premises Commitments

The Company has not yet entered into a rental of premises agreement. With effect from the beginning of June 2007 the Company contributes an amount of $3,500 per month to Oxiana for the use of office space and resources. It is anticipated that in due course the Company will enter into a formal agreement for the lease of premises.

14. Management and Employment Agreements

The Company has entered into an employment contract with Bowler for the provision of management services as Managing Director of Beadell, with Watkins for the provision of exploration management services as Exploration Director and with Barrett for the provision of Company Secretarial Services. The contracts are conditional upon the listing of Beadell on the ASX. The Company has also entered into employment agreements with Tan as Exploration Manager-Australia and Abello as Senior Project Geologist. A summary of the financial details on the executive employment agreements are outlined in the Background Section of this report and in the Material Contracts Summary section 7.5 of the Prospectus.

15. Directors Fees and Other Services

The Constitution of the Company provides that non executive directors may be collectively paid remuneration for their services a fixed sum not exceeding the aggregate maximum of $250,000 per annum. It is currently resolved that the Non Executive Chairman will receive $50,000 plus superannuation of $4,500 per annum. The Company has agreed to pay Michael Donaldson a director and shareholder of the Company consulting fees for exploration advisory services at $1,200 per day for at least 4 days per month being a minimum of $58,000 per annum.

16. Incorporation of BRML

The Company is to finance the operations of BRML and thus BRML will have unsecured borrowings from Beadell that are interest free and at call. The ability for the BRML to repay debts due to Beadell (and other parties) will be dependent on the commercialisation of the mining assets owned by BRML. Losses may be incurred by the BRML and provisions raised against the loans due by BRML to Beadell in the books of Beadell.

6. Tenements Summary

6.1 Introduction

The Company has entered into a Tenement Sale Agreement (refer to material contracts summary section of the prospectus) with Oxiana, and its wholly owned subsidiaries Agincourt Exploration and Wiluna for the purchase by the Company of 9 granted exploration licences and 7 applications for exploration licences in Western Australia, 2 granted exploration licences in South Australia and 1 granted exploration licence and 1 application for an exploration licence in Victoria.

The Company has also entered into an assignment of mineral rights and other covenants through its wholly owned Brazilian subsidiary Beadell Resources Mineração with another Brazilian company Brazmin for the assignment of a mining concession title DNPM 851.439/80 and the consent of the landholder.

The Company has also lodged an application for a further exploration licence in Victoria.

6.2 Key highlights of the Australian Tenements

(a) The schedule to this summary sets out details of the Australian Tenements that the Company is acquiring from Agincourt Exploration and Wiluna (Australian Tenements) and of the application in the Company's name for an exploration licence in Victoria.

(b) The Australian Tenements are registered in the names of Agincourt Exploration and Wiluna. Under Western Australian and Victorian mining law during the first year of term of an exploration licence, an interest affecting that licence cannot be transferred without the consent of the relevant Minister. Transfers of these tenements to the Company will be held by Agincourt Exploration and Wiluna on trust for the Company until the expiration of the first year of the term of each exploration licence or until the consent of the relevant Minister is obtained.

(c) Under South Australian mining law an exploration licence may not be assigned or otherwise dealt with, either directly or indirectly, without the written consent of the relevant Minister. Under Victorian mining law an exploration licence, after its first year, may not be assigned or otherwise dealt with, either directly or indirectly, without the written consent of the relevant Minister. Where necessary the Company is in the process of applying for consent to transfer the tenements.

(d) Under the Tenement Sale Agreement, pending registration of the transfer of the Australian Tenements to the Company rights of the Company in the Australian Tenements will be held on trust for the Company and exercised in the name and on behalf of the Company.

(e) Other than in Victoria the Company will be entitled to lodge caveats to protect its contractual interests in the Australian Tenements.

(f) There are standard endorsements and conditions that apply to all of the Australian Tenements and special conditions (which are set out in the Schedule) with respect to certain of those tenements.

(g) Pending registration as title holder, the Company has access to the Australian Tenements pursuant to the Tenement Sale Agreement. Please refer to the Material Contracts Summary at Section 7 of this Prospectus.

(h) The Australian Tenements are subject to determined and registered native title claims which are detailed in the schedule to this summary. This means that the Company will need to comply with the right to negotiate process under the Native Title Act 1993 (Cth). In relation to the South Australian Tenements the Company will need to comply with the right to negotiate process under Part 9B of the *Mining Act 1971* (SA).

(i) Where noted, in the schedule to this summary, the Company will have the benefit of access agreements with native title and heritage parties which have been or are in the process of being assigned to the Company. Where such access agreements are not in place it will be necessary for the Company to negotiate and conclude such access agreements with native title and heritage parties.

(j) All tenements in the West Musgrave and Lake Mackay Projects in Western Australia contain Class A aboriginal reserves. The consent, in writing, of the Minister for Mines (who must first consult with the Minister responsible for Indigenous Affairs) is required before any mining (including exploration) may be carried out on those tenements. Mining access permits are required under the Mining Act 1978 (WA) and the Aboriginal Affairs Planning Authority Regulations (WA) 1972 for any mining activity (including exploration) on aboriginal reserves in the West Musgrave and Lake Mackay Projects in Western Australia. The Company has not yet obtained such permits.

(k) Two tenements in the Tropicana East Project contain Class A nature reserves registered by National Parks and Nature Conservation Authority for the conservation of flora and wildlife (CR34720) under the Conservation and Land Management Act 1984 (WA). One tenement has a Class A reserve which covers 80.8% of the area of the tenement and the other has a Class A reserve which covers 20.6% of the area of the tenement. The consent, in writing, of the Minister for Mines (who must first consult with the Minister responsible for CALM) is required before any mining (including exploration) may be carried out on the tenement. The present policy of the government of Western Australia is to refuse consent for any mining (including exploration) in a tenement in a Class A nature reserve.

(l) On 29 June 2005, a native title determination was made in respect of the Ngaanyatjarra Lands, which covers all of the land in the tenements at the West Musgrave Project. This effectively means nothing can be done on the tenements without the consent of the native title party. No agreement has yet been entered into between the Company and the native title party.

(m) On 19 October 2001, a native title determination was made in respect of the land occupied by the Kiwirrkurra People. The native title determination applies to all of the land in E80/3822, 71.51% of the land in E80/3820, 0.32% of the land in E80/3821 and 34.74% of the land in E80/3823 which form part of the land in the Lake Mackay Project in Western Australia. This effectively means nothing can be done on the tenements without the consent of the native title party. An access agreement has been entered into between Agincourt Exploration and the native title party and this is in the process of being assigned to the Company.

(n) It will be necessary for the Company to enter into an agreement under Part 9B of the *Mining Act 1971* (SA) with the native title claimants pursuant to the right to negotiate process before obtaining approval to commence exploration at the Lake Torrens Project tenements.

(o) In some of the projects located in Western Australia there is prospectivity for uranium ore. Whilst there is no restriction on the Company exploring and evaluating uranium prospects in those Western Australia projects, current Western Australian State Government policy prevents uranium mining and all mining leases granted since 22 June 2002 have been issued subject to a condition prohibiting the mining of uranium. The development of any uranium discovered on those Western Australia projects is contingent upon a change of policy by the Western Australian Government.

(p) There is underexpenditure on the West Musgrave Project tenements which are underspent due to the Company and the previous holders of the tenements being unable to execute a native title land access agreement in respect of the West Musgrave Project tenements. An exemption from expenditure has been lodged for the West Musgrave Project tenements. However no grant of the exemption has so far been received. There is no material reason why the exemption will not be granted.

6.3 Brazilian Tenement

The Company's Brazilian lawyers have verified the DNPM process concerning mining concession title DNPM 851.439/80 which included reviewing tenement control maps and environmental reports and maps at IBAMA (Federal) and SECTAM (State). They also checked the DNPM website on 29 June , 2007 to update the status of the DNPM process concerning mining concession title DNPM 851.439/80.

The Company's Brazilian lawyers have also perused all the material agreements in respect of mining concession title DNPM 851.439/80.

On the basis of that review it is considered that as at 29 June 2007 mining concession title DNPM 851.439/80 has good title, is valid and in force, free and clear of any judicial and extrajudicial encumbrances and taxes. Brazmin is the sole beneficiary holder of and possesses mining concession title DNPM 851.439/80 and the Company's interest in the Tenements.

Under the Brazilian mining legal system there is a concession regime for the extraction of mineral substances. The concession regime comprises different phases including an exploration phase and a mining phase but the same concession number is used throughout the different phases.

The history of mining concession title DNPM 851.439/80 is as follows:

(a) 17/11/1980 claim

(b) 27/10/1981 exploration permit granted

(c) 06/08/1985 renewal exploration permit granted

(d) 15/05/1987 exploration final report submitted

(e) 04/07/1988 exploration final report approved

(f) 04/07/1989 mining permit submitted

(g) 28/09/2005 transfer to Brazmin approved

(h) 02/02/2007 economic exploitation feasibility report submitted

Under Brazilian mining legislation, the holder of a mining title or exploration licence has to pay the DNPM fees on the transfer of the mining title or exploration licence. Approval of the transfer of the mining concession title DNPM 851.439/80 requires the consent of the Minister but it is considered that consent should be a formality and should be obtained within a reasonable period after the request for consent is made.

The Company has submitted a new feasibility study with resource reserves to the DNPM, and needs in the future to apply for environmental licenses, in order to have mining concession title DNPM 851.439/80 granted.

Once the contract to assign the mineral rights in respect of mining concession title DNPM 851.439/80 is signed, the Company will have full and unrestricted access to the area covered by mining concession title DNPM 851.439/80 in order to conduct the further work, free and clear of any lien and will have all rights as titleholder of an exploration licence. This will include the right to execute the further work and necessary auxiliary services, as well as work on land of private or public land included in the area indicated on the exploration title. The titleholder shall have the right of free access over the land covering mining concession title DNPM 851.439/80, including the soil and subsoil in the title area, as well as in neighboring areas, for performance of the further work.

The mining concession phase shall only be granted when the following conditions have been met :

(a) a development plan for the deposit is lodged with the DNPM;

(b) the final prospecting report has already been presented and approved by the DNPM;

(c) the mining area to be exploited has been considered technically and economically feasible by the DNPM and adequate for the extraction and processing of the deposits, duly observing the limits of the area indicated in the exploration licence; and

(d) the competent environmental agency has issued the corresponding environmental licence.

The Company wishes to update its feasibility report but apart from this all that is now required for the Company to obtain the grant of the mining concession phase is to obtain from the competent environmental agency the issue of the corresponding environmental licence.

6.4 Schedule

The details set out in the Tenement schedule on the following pages are a review of publicly available information obtained from searches and documents supplied by the Company. The results of the searches are described, and the rights conferred by the exploration titles and applications in which the Company has an interest are outlined in the Tenement schedule.

The Tenement schedule and notes set out extensive information about the Tenements. The information includes details of the Tenements, their status, location, grant or application dates (as applicable), expiry dates, rentals, minimum expenditure requirements, applications for exemption from expenditure obligations, associated securities, encumbrances over the Tenements, applications for conversion to mining leases, the identities of the parties which lodged caveats over titles and the basis upon which they were lodged, overlapping Tenements, native title claims, heritage protection agreements, aboriginal and nature reserves (including whether consents to mine have been granted or not yet requested) and relevant sections of the Mining Act 1978 of Western Australia, the Mining Act 1978 of South Australia and the Mineral Resources (Sustainable Development) Act 1990 of Victoria under which applications for exploration licences were made or which govern granted exploration licences.

TENEMENT	STATUS	APPLICANT /HOLDER	DATE OF GRANT OR APPLICATION	EXPIRY DATE	AREA	ANNUAL RENT	MINIMUM EXPENDITURE	ENCUMBRANCES ENDORSEMENTS & CONDITIONS	ABORIGINAL HERITAGE	NATIVE TITLE CLAIMS AND DETERMINATIONS
WESTERN AUSTRALIA – TROPICANA EAST										
E 39/1215	Live	Wiluna Operations Ltd	01/11/2006	31/10/2011	139BL	$15,305.29	$139,000	Notes 1 and 2	No sites	NTC – Note 15
E 38/1913	Pending	Agincourt Resources (Exploration) Pty Ltd	18/07/2006	N/A	155BL	N/A	No expenditure required yet	N/A	No sites	NTC – Note 15
E 39/1203	Live	Wiluna Operations Ltd	30/10/2006	29/10/2011	73BL	$8,038.03	$73,000	Notes 1 and 2	No sites	NTC – Note 15
E 69/2326	Pending	Agincourt Resources (Exploration) Pty Ltd	07/12/2006	N/A	200BL	N/A	No expenditure required yet	N/A	No sites	NTC – Note 16
E 69/2327	Pending	Agincourt Resources (Exploration) Pty Ltd	07/12/2006	N/A	200BL	N/A	No expenditure required yet	N/A	No sites	NTC – Note 16 Class A Reserve as to 80.8%- Note 11.
E 69/2328	Pending	Agincourt Recourses (Exploration) Pty Ltd	07/12/2006	N/A	200BL	N/A	No expenditure required yet	N/A	No sites	NTC – Note 16 Class A Reserve as to 20.6%- Note 11.
WESTERN AUSTRALIA – WEST MUSGRAVE PROJECT										
E 69/2066	Live	Agincourt Resources (Exploration) Pty Ltd	12/05/2006	11/05/2011	70BL	Paid in full	$70,000 (under expended $47,294 in the year end 11/05/07)	Notes 1, 3 and 4	2 sites No restrictions Access to Kanngka site is closed.	NTD – Note 17 ILUA – Note 10. Class A Reserve – Note 12.

TENEMENT	STATUS	APPLICANT /HOLDER	DATE OF GRANT OR APPLICATION	EXPIRY DATE	AREA	ANNUAL RENT	MINIMUM EXPENDITURE	ENCUMBRANCES ENDORSEMENTS & CONDITIONS	ABORIGINAL HERITAGE	NATIVE TITLE CLAIMS AND DETERMINATIONS
E 69/2067	Live	Agincourt Resources (Exploration) Pty Ltd	12/05/2006	11/05/2011	70BL	Paid in full	$70,000 (under expended $47,294 in the year end 11/05/07)	Notes 4 and 5	1 site No restrictions	NTD – Note 17 ILUA – Note 10. Class A Reserve – Note 12.
E 69/2068	Live	Agincourt Resources (Exploration) Pty Ltd	12/05/2006	11/05/2011	52BL	Paid in full	$52,000 (under expended $35,134 to 11/05/07)	Notes 1 and 4	No sites	NTD – Note 17 ILUA – Note 10. Class A Reserve – Note 12.
E 69/2069	Live	Agincourt Resources (Exploration) Pty Ltd	12/05/2006	11/05/2011	70BL	Paid in full	$70,000 (under expended $47,295 in the year end 11/05/07)	Notes 1, 4 and 6	1 site Access closed Male access only	NTD – Note 17 ILUA – Note 10. Class A Reserve – Note 12.
E 69/2070	Live	Agincourt Resources (Exploration) Pty Ltd	12/05/2006	11/05/2011	60BL	Paid in full	$60,000 (under expended $40,539 in the year end 11/05/07)	Notes 1, 4 and 7	2 sites. No restriction Blackstone Range site. Access closed to Warutjara site.	NTD – Note 17 ILUA – Note 10. Class A Reserve – Note 12.
E 69/2071	Live	Agincourt Resources (Exploration) Pty Ltd	12/05/2006	11/05/2011	68BL	Paid in full	$68,000 (under expended $45,944 in the year end 11/05/07)	Notes 1, 4 and 8	4 sites Access closed on all sites.	NTD – Note 17 ILUA – Note 10. Class A Reserve – Note 12.

TENEMENT	STATUS	APPLICANT /HOLDER	DATE OF GRANT OR APPLICATION	EXPIRY DATE	AREA	ANNUAL RENT	MINIMUM EXPENDITURE	ENCUMBRANCES ENDORSEMENTS & CONDITIONS	ABORIGINAL HERITAGE	NATIVE TITLE CLAIMS AND DETERMINATIONS
WESTERN AUSTRALIA – LAKE MACKAY PROJECT										
E 80/3822	Pending	Agincourt Resources (Exploration) Pty Ltd	08/12/2006	N/A	140BL	N/A	No expenditure required yet	N/A	5 sites Access closed. No restrictions on all sites	NTD – Note 18 Class A Reserve – Note 14.
E 80/3820	Pending	Agincourt Resources (Exploration) Pty Ltd	08/12/2006	N/A	82BL	N/A	No expenditure required yet	N/A	No sites	NTD – Note 18 NTC – Note 19 Class A Reserve – Note 13.
E 80/3821	Pending	Agincourt Resources (Exploration) Pty Ltd	08/12/2006	N/A	60BL	N/A	No expenditure required yet	N/A	No sites	NTD – Note 18 NTC – Note 19 Class A Reserve – Note 13.
E 80/3823	Pending	Agincourt Resources (Exploration) Pty Ltd	08/12/2006	N/A	200BL	N/A	No expenditure required yet	Note 9	No sites	NTD – Note 18 NTC – Note 19 Class A Reserve – Note 13.
VICTORIA – REEDY CREEK PROJECT										
EL 4460	Current	Agincourt Resources (Exploration) Pty Ltd	26/06/2003	25/06/2008	13 graticules granted, now 65 graticules.	No annual rent however the company has paid $10,000 bond.	Years 1 $18,950,Year 2 $29,600, Years 3 & 4 $29,200 Year 5 - $31,100. Note 20.	Rehabilitation Bond 0f $10,000 lodged on 17/07/2007.		No claims or determinations

TENEMENT	STATUS	APPLICANT /HOLDER	DATE OF GRANT OR APPLICATION	EXPIRY DATE	AREA	ANNUAL RENT	MINIMUM EXPENDITURE	ENCUMBRANCES ENDORSEMENTS & CONDITIONS	ABORIGINAL HERITAGE	NATIVE TITLE CLAIMS AND DETERMINATIONS
EL 4987	Application	Agincourt Resources (Exploration) Pty Ltd	09/08/2006	N/A	500 graticules	N/A	N/A	N/A	N/A	No claims or determinations
ELA 5072	Application	Beadell Resources Limited	18/06/2007	N/A	16 graticules	N/A	N/A	N/A	N/A	No claims or determinations
SOUTH AUSTRALIA – LAKE TORRENS PROJECT										
EL 3489	Live	Wiluna Operations Ltd	18/01/2006	17 January 2008	775km^2	$4,766.25	$125,000	Note 21		SC96/4,SC99/2 SC07/1 Note 22
EL3823	Live	Wiluna Operations Ltd	02/072007	1 July 2008	193km^2	$1,186.95	$50,000	Note 21		SC96/4,SC96/5 SC99/1,SC99/2 SC07/1 Note 22
BRAZIL – TARTARUGALZINHO PROJECT										
DNPM No 851.439/80	Exploration Permit granted Mining Permit submitted	Brazmin Ltda	Exploration Permit granted 27/10/1981 Mining Permit submitted 04/07/1989 Economic exploitation feasibility report submitted 02/02/2007	N/A	9,601.89 hectares	N/A			N/A	No claim

Notes to Tenement Schedule

1. Standard endorsements in relation to Aboriginal Heritage and Environmental Protection.

2. Standard conditions for ground disturbance.

3. The grant of this licence does not include the land the subject of prior Exploration Licence 69/1560. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".

4. A mining access permit is required under the Mining Act 1978 (WA) and the Aboriginal Affairs Planning Authority Regulations (WA) 1972 for any mining activity (including exploration) on Reserve 17614, which is for the use and benefit of Aboriginal Inhabitants.

5. The grant of this licence does not include the land the subject of prior Exploration Licence 69/1565. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".

6. The grant of this licence does not include the land the subject of prior Exploration Licences 69/1069 and 69/1154. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".

7. The grant of this licence does not include the land the subject of prior Exploration Licences 69/1069 and 69/1390. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".

8. The grant of this licence does not include the land the subject of prior Exploration Licence 69/1390. If the prior licence expires, is surrendered or forfeited that land may be included in this licence, subject to the provisions of the third Schedule of the Mining Regulations 1981 titled "Transitional provisions relating to Geocentric Datum of Australia".

9. Application to amend lodged 10.05am on 28 May 2007 and rejected at 10.05am on 28 May 2007.

10. Tenement is subject to the following Indigenous Land Use Agreements:

    (a) Ngaanyatjarra Lands ILUA (Body Corporate Agreement) No 1 registered 9 March 2006;

    (b) Telstra Ngaanyatjarra ILUA registered 11 August 2006; and

    (c) Airservices Australia – Ngaanyatjarra Indigenous Land Use Agreement registered 18 January 2006.

11. Class A Nature Reserve registered by National Parks and Nature Conservation Authority for the conservation of flora and wildlife (CR34720) under the Conservation and Land Management Act 1984 (WA) The consent, in writing, of the Minister for Mines (who must first consult with the Minister responsible for CALM) is required before any mining (including exploration) may be carried out on the tenement. The present policy of the government of Western Australia is to refuse consent for any mining (including exploration) in a tenement in a Class A Nature Reserve.

12. Class A Aboriginal Reserve affecting 100% of the tenement registered by the Aboriginal Lands Trust for the use and benefit of Aboriginal Inhabitants (CR17614). The consent, in writing, of the Minister for Mines (who must first consult with the Minister responsible for Indigenous Affairs) is required before any mining (including exploration) may be carried out on the tenement.

13. Class A Aboriginal Reserve affecting 100% of the tenement registered by the Aboriginal Lands Trust for the use and benefit of Aboriginal Inhabitants (CR24923). The consent, in writing, of the Minister for Mines

(who must first consult with the Minister responsible for Indigenous Affairs) is required before any mining (including exploration) may be carried out on the tenement.

14. Class A Aboriginal Reserve affecting 86.5% of the tenement registered by the Aboriginal Lands Trust for the use and benefit of Aboriginal Inhabitants (CR24923). The consent, in writing, of the Minister for Mines (who must first consult with the Minister responsible for Indigenous Affairs) is required before any mining (including exploration) may be carried out on the tenement.

15. A native title claim made by the Wongatha People has been dismissed in respect of this tenement. Refer to Tribunal Number WC99/001, Federal Court Number WAD6005/98

16. On 18 April 2005 the Pilki People registered a native title claim over the land the subject of this tenement. The native title claim relates to the whole of the tenement. Refer to Tribunal Number WC02/003, Federal Court Number WAD6002/02.

17. On 29 June 2005, a native title determination was made in respect of the Ngaanyatjarra Lands, which comprises all of the land in this tenement. Refer to Tribunal Number WC04/003, Federal Court Number WAD6004/04. This effectively means nothing can be done on the tenement without the consent of the native title party. No agreement has yet been entered into between the Company and the native title party.

18. On 19 October 2001, a native title determination was made in respect of the land occupied by the Kiwirrkurra People. The native title determination applies to all of the land in E80/3822, 71.51% of the land in E80/3820, 0.32% of the land in E80/3821 and 34.74% of the land in E80/3823. Refer to Tribunal Number WC95/016, Federal Court Number WAD6019/98. This effectively means nothing can be done on the tenement without the consent of the native title party. An access agreement has been entered into between Agincourt Resources (Exploration) Pty Ltd and the native title party and this is in the process of being assigned to the Company.

19. On 14 February 2007, the Ngurrulpa People registered a native title claim over the land the subject of this tenement. The native title claim relates to 28.49% of E80/3820, 99.68% of E80/3821 and 65.26% of E80/3823. Refer to Tribunal Number WC06/005, Federal Court Number WAD0357/06.

20. It will be necessary for the Company to enter into an agreement under Part9B of the *Mining Act 1971* (SA) with the native title claimants pursuant to the Right to Negotiate process before obtaining approval to commence exploration.

7. Material Contract Summary

7.1 Oxiana Tenement Sale Agreement

Under the terms of the Tenement Sale Agreement between Oxiana Limited, its wholly owned subsidiaries Wiluna Operations Limited and Agincourt Exploration (**Vendors**) and the Company dated 2 July 2007 the Company has agreed to purchase and the Vendors have agreed to sell all of their interest in:

(a) the Australian Tenements; and

(b) the Mining Information in respect of the Australian Tenements.

Completion of the Tenement Sale Agreement is conditional on:

(a) any approval to the transfer of the Australian Tenements under the relevant Mining Act being obtained before 30 September 2007 or such later date as agreed (other than the Australian Tenements which are applications);

(b) the Company preparing an exploration plan acceptable to Oxiana (in its absolute discretion) setting out work programmes in respect of each of the Australian Tenements together with itemised budgets in respect of work to be undertaken by the Company for the period ending 30 June 2009;

(c) the consent of ASX to the admission of the Company to the official list of ASX and to the official quotation of the Shares being offered under this Prospectus being granted with all conditions to such consent being satisfied and no further conditions being attached (**Listing Approval**); and

(d) the Company on or before 31 July 2007 obtaining a binding commitment from a bank to issue replacement bonds in respect of the Australian Tenements at completion of the Tenement Sale Agreement (**Completion**).

The consideration for the acquisition of the Australian Tenements and Mining Information is the issue to Oxiana (or its nominee) of 12,800,000 Shares at an issue price of $0.25 per Share.

Pending Completion the Vendors must keep the Australian Tenements in good standing, maintain the Mining Information, not effect any material change to any access arrangements in respect of the Australian Tenements and provide reasonable access to the Company to the Australian Tenements and the Mining Information in order to review, inspect and carry out planning activities in relation to the Australian Tenements.

Prior to Completion the parties to the Tenement Sale Agreement must use their respective reasonable endeavours to novate or assign certain material contracts in respect of the Australian Tenements to the Company.

In respect of the Australian Tenements which are applications as at Completion Date, the Vendors must do all things the Company reasonably requests in respect of the prosecution of the applications and pending registration of the transfers of such Australian Tenements the Vendors will hold such Australian Tenements on trust for the Company.

The Company has agreed to indemnify the Vendors against any claims arising after Completion in respect of anything done or omitted to be done by the Company on the land the subject matter of any application or Australian Tenement.

The Company has given undertakings to the Vendors to use its best endeavours to ensure that Listing Approval is obtained within two months after the lodgement of this Prospectus.

The Vendors have given the Company warranties in relation to ownership, encumbrances and good standing of the Australian Tenements common of a tenement sale agreement of this type.

If the Company wishes to claim under the warranties it must give written notice to the Vendors by 31 December 2008 and the maximum aggregate amount recoverable by the Company from the Vendors in respect of warranty claims and representations is limited to A$1,000,000.

The Company has agreed to indemnify Oxiana and its related bodies corporate against all claims and liabilities arising out of the fatality which occurred in December 2006 at one of the Reedy Creek, Victoria Australian Tenements being acquired by the Company. The liability of the Company under the indemnity is not to exceed $400,000 and the indemnity does not cover legal costs.

Under this Tenement Sale Agreement the Company has granted earn-in options, and accordingly must give a discovery notice, to the Vendors as soon as a delineated body of ore is identified within the Australian Tenements containing:

(a) 800,000 tonnes of copper;

(b) 3,000,000 ounces of gold; or

(c) 200,000 tonnes of nickel.

Within 60 days of receiving notice of such an ore body Oxiana may by notice in writing to the Company elect to acquire a 51% interest in the relevant Australian Tenement and all Mining Information that relates to the ore deposit by offering to incur a sum of expenditure on further exploration equal to the fair market value of the earn-in interest or by paying a cash sum equal to the fair market value of the earn-in interest. The fair market value of the earn-in interest shall be either agreed or determined by an expert under the terms and conditions of the Tenement Sale Agreement.

If Oxiana fails to make an election to acquire an earn-in interest within the requisite 60 day period it will be deemed not to have elected to take up the right to acquire the earn-in interest.

The Company has the right to reject the offer by Oxiana to incur expenditure on further exploration and elect instead to take cash for the value of its interest.

If the Company wishes to sell or assign any Australian Tenement it must give notice to Oxiana specifying the price and terms of the proposed sale or assignment and Oxiana has a right of pre-emption exercisable within 30 days to acquire the Australian Tenement at that price and on those terms.

7.2 Brazilian Agreement for the Assignment of Mineral Rights and other Covenants

The Company through its wholly owned Brazilian subsidiary Beadell Resources Mineração Ltda has entered into an agreement (**Brazilian Agreement**) for the assignment of mining concession title DNPN 851.439/80 together with the consent of the landholder (**Mineral Rights**) from another Brazilian company Brazmin Ltda.

The consideration for the Mineral Rights is US$150,000.00 in cash and the issue by the Company of Shares in the Company to a value of US$500,000.00. If the Company is not listed on the ASX by 30 November 2007 then an additional 105,000 Shares will need to be issued. In addition the Company will make annual payments to Keystone Ltda the original title holder of the Mineral Rights of US$100,000.00 until commercial mining production commences.

The Company has also agreed to pay a net smelter royalty of 1.7% (of which 1.2% is payable to Keystone Ltda) to Brazmin Ltda.

Brazmin Ltda has given Beadell Resources Mineração Ltda warranties in relation to ownership, encumbrances and good standing of the Mineral Rights.

7.3 Exploration Alliance Letter of Understanding and Deed of Covenant

Under a letter agreement dated 15 February 2005 (**Letter Agreement**) Agincourt Exploration the predecessor in title to the Company to certain West Musgrave Project tenements E69/2066-71 agreed with BHPB Nickel West that in consideration of BHBP Nickel West making available data to assist Agincourt Exploration in its exploration activities, Agincourt Exploration would offer any mineral interest acquired within an area of mutual interest to BHBP Nickel West at no cost to BHBP Nickel West.

The Letter Agreement commenced on 1 February 2005 and expired on 31 December 2006. Tenements in the West Musgrave Project are subject to the Letter Agreement.

The Company has entered into a deed of covenant with BHBP Nickel West and Oxiana (as successor in title to Agincourt Exploration) for the novation to and the assumption of the Letter Agreement.

Under the terms of the Letter Agreement the Company shall bear 100% of the cost of all projects through to stage 3 (as defined) of the project. If at the end of stage 3 BHBP Nickel West elects to participate as a majority owner in a project then it must pay the Company 200% of the Company's project exploration costs to the date of such election and BHBP Nickel West shall thereby earn a 70% equity interest in the project. The Company will have a 30% interest free carried to the completion of the project feasibility study of the project and the Company and BHBP Nickel West shall each hold a pre-emptive right on the other party's interests in the project.

If at the end of stage 3 BHBP Nickel West does not elect to participate as a majority owner in the project and the Company decides to pursue the project then BHBP Nickel West will give such assistance to the Company to allow the Company to continue exploration and develop the project. BHBP Nickel West shall at its election hold a 2% net smelter return (NSR) on production from the project or a 5% contributing equity interest in the project.

If the Company chooses to divest an interest in the project BHBP Nickel West shall have the right of pre-emption to acquire the interest being divested.

BHBP Nickel West will have the right to increase its participation in the project to the end of stage 4.

If at the end of stage 4 BHBP Nickel West then elects to participate as a majority owner in the project then BHBP Nickel West must pay the Company 200% of the Company's project exploration costs to the date of BHBP Nickel West's election to participate and BHBP Nickel West shall thereby earn an 80% interest in the project. The Company shall have a 20% equity free carrying interest to completion of the project feasibility study and the Company and BHBP Nickel West shall each hold a pre-emptive right of the other's interest in the project.

BHBP Nickel West shall forfeit either the 2% NSR on production from the project or the 5% contributing equity interest in the project acquired at stage 3.

The success criteria for a gold project shall require the existence of a gold deposit, that when modelled, indicates the possible presence of at least 4 million ounces of gold (or the equivalent economic value for minerals other than gold) at the end of stage 3 or the possible presence of at least 5 million ounces of gold (or the equivalent economic value for minerals other than gold) at the end of stage 4.

The nickel rights in respect of the West Musgrave Project tenements E69/2066-71 are held by the previous holders of the tenements Consolidated Nickel Pty Ltd.

7.4 Directors Deeds of Indemnity

The Company has entered into deeds of access indemnity and insurance with each of the Directors and Officer.

The Company has undertaken, subject to the restrictions in the Corporations Act, to indemnify each Director and Officer in certain circumstances and to maintain Directors' and Officers' insurance cover (if available) in favour of each Director whilst a Director for seven years after the Director has ceased to be a Director or the Officer has ceased to hold office.

The Company has undertaken with each Director and Officer to provide access to any Company records which are either prepared or provided to the Director or Officer during the period which he was a Director or Officer for a period of seven years after the Director has ceased to be a Director or Officer.

Provisions in these deeds that require shareholders approval will be of no effect until such approval is obtained under the Corporations Act which will be sought at the next meeting of shareholders of the Company.

7.5 Executive Service Agreements

The Company has entered into an employment contract with Mr. Peter Bowler, the Company's managing director. The material terms of the employment contract are as follows:

(a) The annual salary is $228,900 inclusive of compulsory superannuation.

(b) The employment contract may be determined by either party giving 3 months notice, save that Mr. Bowler may be summarily dismissed as a result of willful or fraudulent misconduct.

The Company has entered into an employment contract with Dr. Mike Donaldson, the Company's non-executive chairman. The material terms of the employment contract are as follows:

(a) The annual salary is $54,500 inclusive of compulsory superannuation.

(b) The employment contract may be determined by either party giving 3 months notice, save that Dr. Donaldson may be summarily dismissed as a result of willful or fraudulent misconduct.

The Company has entered into an employment contract with Mr. Greg Barrett, the Company secretary. The material terms of the employment contract are as follows:

(a) The annual salary is $218,000 inclusive of compulsory superannuation.

(b) The employment contract may be determined by either party giving 3 months notice, save that Mr. Barrett may be summarily dismissed as a result of willful or fraudulent misconduct.

The Company has entered into an employment contract with Mr. Rob Watkins, the Company's executive director. The material terms of the employment contract are as follows:

(a) The annual salary is $218,000 inclusive of compulsory superannuation.

(b) The employment contract may be determined by either party giving 3 months notice, save that Mr. Watkins may be summarily dismissed as a result of willful or fraudulent misconduct.

7.6 Taylor Collison and Southern Cross Equities Mandate Letter

On 2 July 2007 the Company entered into a letter agreement with Taylor Collison and Southern Cross Equities for the appointment of Taylor Collison and Southern Cross Equities as joint managers in relation to this Prospectus.

The joint managers will review the capital requirements of the Company and advise on the optimum amount of funds to be raised through the Prospectus and advise in relation to pricing and structure of the Prospectus.

The agreement by Taylor Collison and Southern Cross Equities to act as joint managers is subject to:

(a) a suitable due diligence programme being established by the Company to the satisfaction of the joint managers;

(b) the preparation of an acceptable Prospectus;

(c) there be no adverse change to the Company's prospects during the course of the appointment; and

(d) escrow arrangements being approved by the joint managers.

The fee payable to the joint managers as consideration for their services comprises:

(e) a management fee of 1% of the total funds raised; and

(f) a distribution fee of 4% of the total funds raised less the value of IPO shares subscribed for by the Directors and the company secretary of Beadell which is expected to be no more than $1,500,000.

The joint managers will be responsible for paying any fees to brokers or other security licensees that successfully place shares in the initial public offering by the Company.

The joint managers are entitled to be reimbursed for costs and expenses incurred even if the offer under the Prospectus does not proceed.

The Company has taken full responsibility for the content and issue of the Prospectus and has indemnified the joint managers against all liability incurred:

(a) in connection with the issue of the Prospectus and the proposed allotment or issue of securities by the Company;

(b) any statement in the Prospectus that is false or misleading;

(c) any omission from the Prospectus;

(d) any false or misleading or deceptive conduct by any person in connection with the issue of the securities under the Prospectus by the Company.

Each party has a right to terminate the letter agreement by giving 7 days written notice. The rights relating to fees payable to the joint managers, the reimbursement of expenses and the indemnification of the joint managers remain operative regardless of any termination of the letter agreement.

8. Risk Factors

Any investment in the Company should be considered speculative.

The activities of the Company are subject to a number of risks and other factors, which may impact on its future performance. Prospective new investors should consider the risk factors described below, together with information contained elsewhere in this Prospectus before deciding whether to apply for Shares.

The following is not intended to be an exhaustive list of the risk factors to which the Company is exposed.

8.1 Risks Specific to the Company

The current and future operations of the Company, including exploration, appraisal and production activities, may be affected by a range of factors, including:

(a) Underlying Land Tenure Mining Title

Several of the Company's projects are located on land:

(i) on which native title has been determined to exist;

(ii) which is aboriginal land; and

(iii) which contains nature reserves.

Any of the above may impede or prevent the grant of or access to certain projects. This may result in the Company being unable or impeded in its endeavours to explore and develop its projects. See Section 6 for further details.

(b) Uranium policy of the Western Australian Government

The Western Australian State Government is responsible for uranium mining policy in Western Australia and currently permits the exploration for uranium but prohibits the mining of uranium. A change in government policy is required before the Company can mine uranium in Western Australia if it discovers an economically viable project. See Section 6 for further details.

(c) Approval process in Australia

Uranium mining in Australia is subject to extensive regulation by state and federal governments in relation to the exploration, development, production, exports, taxes, royalties, labour standards, occupational health, waste disposal, protection and rehabilitation of the environment, mine reclamation, mine safety, toxic and radioactive substances, native title and other matters. The cost of compliance with such laws and regulations will ultimately increase the cost of exploring, drilling, developing, constructing, operating and closing mines and other production facilities. These approvals are more rigorous than for mining of other metals. There is a risk that should economic deposits of uranium be discovered, the government approvals may not be granted, or may be significantly delayed or may make the deposit uneconomic.

(d) Contamination on Tartaruga Project

The Tartaruga Project has a history of illegal surficial mining by local prospectors 'Garempeiros' operations causing some environmental impact within the mining concession. Under Brazilian legislation any mineral activities will be subject to prior environmental impact assessment, licensing and relinquishment. There is a risk that the Company will incur further costs as a consequence of the environmental impact of the illegal surficial mining.

(e) Victorian Incident

On 9 December 2006 a fatality occurred in the Clonbinane area of EL4460. Victorian Worksafe has investigated the incident. Under the Tenement Sale Agreement Beadell has indemnified Oxiana or its related bodies corporate and their respective officers and employees against all such liabilities and any claims or actions arising out of, or as a result of such Liabilities with the fatality, provided that the liability of the Purchaser under the indemnity shall not in any event exceed $400,000. The indemnity does not cover legal costs.

(f) Limited Operating History of Beadell

The Company has limited operating history on which it can base an evaluation of its prospects.

The prospects of the Company must be considered in the light of the risks, expenses and difficulties frequently encountered by companies in their early stage of development, particularly in the mineral exploration sector, which has a high level of inherent uncertainty.

(g) Reliance on Key Personnel and Consultants

The Company is reliant on a small number of key personnel and consultants. The loss of one or more of these key contributors could have an adverse impact on the operations and success of the business.

It may be particularly difficult for the Company to attract and retain suitably qualified and experienced people, given the current high demand in the industry and relatively small size of the Company compared to other industry participants.

(h) Additional Requirements for Operational Funding

The Company believes that cash available from this Offer should be adequate to fund its business development and expansion program.

The Company's funding requirements depend on numerous factors including the Company's ability to generate and enhance income from its projects and the availability of further acquisition opportunities. It may require further financing in addition to amounts presently available to it, or raised from this Offer to fund future exploration, development or acquisition activities.

Additional equity financing, if available, may be dilutive to Shareholders and at lower prices than the current market price. Debt financing, if available, may involve restrictions on financing and operating activities. If the Company is unable to obtain additional financing as needed, it may be required to reduce the scope of its operations or anticipated expansion.

(i) Third Party Risks

The operations of the Company require the involvement of a number of third parties, including suppliers, contractors and customers. Financial failure, default or contractual non-compliance on the part of such third parties may have a material impact on the Company's operations and performance. It is not possible for the Company to predict or protect itself against all such risks.

(j) Joint Venture Partners

The Company is, and may become in the future, a party to joint venture agreements governing the exploration and development of its projects. The Company, in some cases, may not be the manager of the joint venture. Where a joint venture partner does not act in the best interests of the joint venture, it could have an adverse effect on the interests and prospects of the Company.

Furthermore, the Directors are unable to predict the risk of financial failure, non compliance with obligations or default by a joint venture partner in any joint venture to which the Company is, or may become, a party. Such an event may have an adverse effect on the interests and prospects of the Company.

(k) Sovereign Risk

One of the Company's projects is located in Brazil, a less-developed country than Australia with associated political, economic, legal and social risks. There is no assurance that the systems of government and the political system will remain stable and that government regulations relating to foreign investment, repatriation of foreign currency, taxation and the mining industry in Brazil will not be amended or replaced in the future to the detriment of the Company's business. Outcomes before courts in Brazil may be less predictable than in Australia, which could affect the enforceability of contracts entered into by the Company in Brazil. The Company has made investment and strategic decisions based on information currently available to the Directors. Should there be any material change in the political, economic, legal and social environments in Brazil, the Directors may reassess investment decisions and commitments to assets in Brazil.

(l) New Projects and Acquisitions

The Company proposes to actively seek acquisitions that may add value to the Company. The acquisition of new business opportunities (whether completed or not) may require the payment of monies (as a deposit and/or exclusivity fee) after only limited due diligence and prior to the completion of comprehensive due diligence. There can be no guarantee that any proposed acquisition will be completed or be successful. If the proposed acquisition is not completed, monies already advanced may not be recoverable, which may have a material adverse effect on the Company.

If an acquisition is completed, the Board will need to reassess, at that time, the funding allocated to current projects and new projects, which may result in the Company reallocating funds from other projects and/or the

raising of additional capital (if available). Furthermore, notwithstanding that an acquisition may proceed upon the completion of due diligence, the usual risks associated with mineral exploration activities will remain.

8.2 Mineral Industry Risks

(a) Exploration and Development Risks

The Tenements are in the early stages of exploration and potential investors should understand that mineral exploration, development and mining are high-risk enterprises, only occasionally providing high rewards. In addition to the normal competition for prospective ground, and the high average costs of discovery of an economic deposit, factors such as demand for commodities, stock market fluctuations affecting access to new capital, sovereign risk, environmental issues, labour disruption, project financing difficulties, foreign currency fluctuations and technical problems all affect the ability of a company to profit from any discovery.

There is no assurance that exploration of the mineral interests currently held by the Company, or any other projects that may be acquired in the future, will result in the discovery of an economically viable mineral deposit. Even if an apparently viable mineral deposit is identified, there is no guarantee that it can be profitably exploited.

The cost of the proposed exploration program of the Company described in the Independent Geologist's Reports and Section 3 of the Prospectus are based on certain estimates and assumptions with respect to the method and timing of exploration. By their nature, these estimates and assumptions are subject to significant uncertainties and, accordingly, the actual costs may materially differ from these estimates and assumptions. Accordingly, no assurance can be given that the cost estimates and the underlying assumptions will be realised in practice, which may materially and adversely affect the Company's viability.

(b) Operational Risks

The operations of the Company may be affected by various factors which are beyond the control of Company, including failure to locate or identify mineral deposits, failure to achieve predicted grades in exploration or mining, operational and technical difficulties encountered in mining, difficulties in commissioning and operating plant and equipment, mechanical failure or plant breakdown, unanticipated metallurgical problems which may affect extraction costs, adverse weather conditions, industrial and environmental accidents, industrial disputes and unexpected shortages or increases in the costs of consumables, spare parts, plant and equipment, fire, explosions and other incidents beyond the control of the Company.

These risks and hazards could also result in damage to, or destruction of, production facilities, personal injury, environmental damage, business interruption, monetary losses and possible legal liability. While the Company currently intends to maintain insurance within ranges of coverage consistent with industry practice, no assurance can be given that the Company will be able to obtain such insurance coverage at reasonable rates (or at all), or that any coverage it obtains will be adequate and available to cover any such claims.

(c) Metallurgy

Metal and/or mineral recoveries are dependent upon the metallurgical process, and by its nature contain elements of significant risk such as:

(i) Identifying a metallurgical process through testwork to produce a saleable metal and/or concentrate;

(ii) Developing an economic process route to produce a metal and/or concentrate; and

(iii) Changes in mineralogy in the ore deposit can result in inconsistent metal recovery, affecting the economic viability of the project.

(d) Resource estimates

Resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates that were valid when made may change significantly when new information becomes available.

In addition, resource estimates are necessarily imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Should the Company encounter mineralisation or formations different from those predicted by past drilling, sampling and similar examinations, resource estimates may have to be adjusted and mining plans may have to be altered in a way which could adversely affect the Company's operations.

(e) Payment Obligations

Under the terms of the Tenements, the joint ventures and other contractual agreements to which the Company is or may in the future become a party, the Company is or may become subject to payment and other obligations. Failure to meet these work commitments will render the tenement or licence liable to be cancelled. Further, if any contractual obligations are not complied with when due, in addition to any other remedies that may be available to other parties, this could result in dilution or forfeiture of interest held by the Company.

(f) Commodity Price Volatility and Foreign Exchange Risk

In the event that the Company achieves exploration success leading to production, the revenue it will derive through the sale of commodities exposes the potential income of the Company to commodity price risks.

Commodity prices fluctuate and are affected by numerous factors beyond the control of the Company. These factors include world demand for minerals, forward selling by producers, and production cost levels in major metal-producing regions.

Moreover, commodity prices are also affected by macroeconomic factors such as expectations regarding inflation, interest rates and global and regional demand for, and supply of, the commodity as well as general global economic conditions. These factors may have an adverse effect on the Company's exploration, development and production activities, as well as on its ability to fund those activities.

Furthermore, international prices of various commodities are denominated in United States Dollars whereas the income and expenditure of the Company are and will be taken into account in Australian currency, exposing the Company to the fluctuations and volatility of the rate of exchange between the United States Dollar and the Australian Dollar as determined in international markets.

(g) Competition

The Company competes with other companies, including major mineral exploration and production companies. Some of these companies have greater financial and other resources than the Company and, as a result, may be in a better position to compete for future business opportunities. Many of the Company's competitors not only explore for and produce minerals, but also carry out refining operations and other products on a worldwide basis. There can be no assurance that the Company can compete effectively with these companies.

(h) Tenement Title

Interests in tenements in Western Australia, South Australia and Victoria are governed by legislation and are evidenced by the granting of licences. Each licence is for a specific term and carries with it annual expenditure and reporting commitments, as well as other conditions requiring compliance. Consequently, the Company could lose title to or its interest in Tenements if licence conditions are not met or if insufficient funds are available to meet expenditure commitments as and when they arise.

All of the Tenements in which the Company has or may earn an interest in will be subject to applications for renewal or grant (as the case may be). The renewal or grant of the term of each Tenement is usually at the discretion of the relevant government authority. If a Tenement is not renewed or granted, the Company may suffer significant damage through loss of the opportunity to develop and discover any mineral resources on that Tenement.

There are numerous other issues particular to the Tenements. For further information on the Tenements, refer to the Tenement Summary in Section 6.

(i) Native Title

The Native Title Act recognises and protects the rights and interests in Australia of Aboriginal and Torres Strait Islander people in land and waters, according to their traditional laws and customs. There is significant uncertainty associated with Native Title in Australia and this may impact on the Company's operations and future plans.

Native Title can be extinguished by valid grants of land (such as freehold title) or waters to people other than the Native Title holders or by valid use of land or waters. It can also be extinguished if the indigenous group has lost its connection with the relevant land or waters. Native Title is not necessarily extinguished by the grant of mining leases, although a valid mining lease prevails over Native Title to the extent of any inconsistency for the duration of the title.

Tenements granted before 1 January 1994 are valid or validated by the Native Title Act.

For tenements to be validly granted (or renewed) after 1 January 1994, the future act regime established by the Native Title Act must be complied with.

The existence of a Native Title claim is not an indication that Native Title in fact exists on the land covered by the claim, as this is a matter ultimately determined by the Federal Court.

The Company must also comply with Aboriginal heritage legislation requirements which require heritage survey work to be undertaken ahead of the commencement of mining operations. Several of Beadell's projects are located within areas that contain cultural sites and there is no assurance the location of the sites may restrict access for exploration and mining activities.

(j) Government Policy

The Company understands that strong community relations, environmental sensitivity and effective corporate governance are all fundamental factors in sustainable development of its projects. The Company believes that a commitment to sustainable development is vital to maintaining supportive relations with Land Councils, native titleholders and the community at large.

The Company is aware of its responsibilities to local communities as well as Shareholders. Respect for the environment, Native Title and local communities leads to more efficient and successful operations.

The Company endeavours to comply with all legal requirements affecting its business, including in particular occupational health and safety, the environment, Native Title and cultural heritage laws.

The Company recognises, considers and respects that environmental issues may arise from the Company's activities. The Company complies with all applicable legal requirements in order to reduce any potential negative impact from its operations.

Changes in current and future government policy may have an effect on the activities of the Company.

(k) Environmental Risks

Mining is an industry that has become subject to increasing environmental responsibility and liability. The potential for liability is an ever present risk. Future legislation and regulations governing production may impose significant environmental obligations on the Company in relation to mining. The Company intends to conduct its activities in a responsible manner which minimises its impact on the environment, and in accordance with applicable laws.

The Company's projects are subject to regulations regarding environmental matters and the discharge of hazardous wastes and materials. The Governments and other authorities that administer and enforce environmental laws determine these requirements. As with all exploration projects and mining operations, the Company's activities are expected to have an impact on the environment, particularly if mine development proceeds. The Company intends to conduct its activities in an environmentally responsible manner and in accordance with applicable laws.

The cost and complexity of complying with the applicable environmental laws and regulations may prevent the Company from being able to develop potentially economically viable mineral deposits.

Although the Company intends to conduct its operations in compliance in all material respects with all applicable environmental laws and regulations, there are certain risks inherent to its activities, such as accidental spills, leakages or other unforseen circumstances, which could subject the Company to extensive liability.

Further, the Company may require approval from the relevant authorities before it can undertake activities that are likely to impact the environment. Failure to obtain such approvals will prevent the Company from undertaking its desired activities. The Company is unable to predict the effect of additional environmental laws and regulations, which may be adopted in the future, including whether any such laws or regulations would materially increase the Company's cost of doing business or affect its operations in any area.

There can be no assurances that new environmental laws, regulations or stricter enforcement policies, once implemented, will not oblige the Company to incur significant expenses and undertake significant investments which could have a material adverse effect on the Company's business, financial condition and results of operations.

8.3 General Risks

(a) Shares Investment

Applicants should be aware that there are risks associated with any investment in securities. The prices at which the Shares trade may be above or below the issue price and may fluctuate in response to a number of factors.

Furthermore, the stock market, and in particular the market for mining and exploration companies, has experienced extreme price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of such companies. There can be no guarantee that these trading prices and volumes will

be sustained. These factors may materially affect the market price of the Shares, regardless of the Company's operational performance.

(b) Share Market Conditions

The market price of the Shares may fall as well as rise and may be subject to varied and unpredictable influences on the market for equities in general and resource stocks in particular. Neither the Company nor the Directors warrant the future performance of the Company or any return on an investment in the Company.

(c) Economic Risk

Changes in the general economic climate in which the Company operates may adversely affect the financial performance of the Company. Factors that may contribute to that general economic climate include the level of direct and indirect competition against the Company, industrial disruption in Australia, the rate of growth of Australia's gross domestic product, interest rates and the rate of inflation.

(d) Future Capital Needs and Additional Funding

The future capital requirements of the Company will depend on many factors including the results of future exploration and business development activities. The Company believes its available cash and the net proceeds of this Offer should be adequate to fund its exploration work program, business development activities and other Company objectives in the short term as stated in this Prospectus.

Should the Company require additional funding there can be no assurance that additional financing will be available on acceptable terms, or at all. Any inability to obtain additional finance, if required, would have a material adverse effect on the Company's business and its financial condition and performance.

8.4 Investment Speculative

The above list of risk factors ought not to be taken as exhaustive of the risks faced by the Company or by investors in the Company. The above factors, and others not specifically referred to above, may in the future materially affect the financial performance of the Company and the value of the Securities offered under this Prospectus. Therefore, the Securities to be issued pursuant to this Prospectus carry no guarantee with respect to the payment of dividends, returns of capital or the market value of those Securities. Potential investors should consider that the investment in the Company is speculative and should consult their professional adviser before deciding whether to apply for Securities pursuant to this Prospectus

9. Rights Attaching to Securities

9.1 Rights and Restrictions attaching to Shares

A summary of the rights attaching to Shares in the Company is set out below. This summary is qualified by the full terms of the Constitution (a full copy of the Constitution is available from the Company on request free of charge) and does not purport to be exhaustive or to constitute a definitive statement of the rights and liabilities of Shareholders. These rights and liabilities can involve complex questions of law arising from an interaction of the Constitution with statutory and common law requirements. For a Shareholder to obtain a definitive assessment of the rights and liabilities which attach to Shares in any specific circumstances, the Shareholder should seek legal advice.

(a) Voting

At a general meeting, on a show of hands every Shareholder present in person has one vote. At the taking of a poll, every Shareholder present in person or by proxy and whose Shares are fully paid has one vote for each of his or her Shares. On a poll, the holder of a partly paid share has a fraction of a vote with respect to the share. The fraction is equivalent to the proportion which the amount paid (not credited) bears to the total amount paid and payable (excluding amounts credited).

(b) General meetings

Each Shareholder is entitled to receive notice of, attend and vote at general meetings of the Company and to receive all notices, financial statements and other documents required to be sent to Shareholders under the Constitution of the Company, the Corporations Act and the ASX Listing Rules.

(c) Dividends

The Directors may pay to Shareholders any interim and final dividends as, in the Directors' judgement, the financial position of the Company justifies. The Directors may fix the amount, the record date for determining eligibility and the method of payment. All dividends must be paid to the Shareholders in proportion to the number and the amount paid on the Shares held.

(d) Transfer of Shares

Generally, all Shares in the Company are freely transferable subject to the procedural requirements of the Constitution, and to the provisions of the Corporations Act, the ASX Listing Rules and the ASTC Operating Rules. The Directors may decline to register an instrument of transfer received where the transfer is not in registrable form or where refusal is permitted under the ASX Listing Rules or the ASTC Operating Rules. If the Directors decline to register a transfer the Company must give reasons for the refusal. The Directors must decline to register a transfer when required by the Corporations Act, the ASX Listing Rules or the ASTC Operating Rules.

(e) Variation of rights

The Company may only modify or vary the rights attaching to any Shares with the prior approval by a special resolution of the Shareholders, or with the written consent of the holders of at least three-fourths of the issued Shares.

(f) Directors

The minimum number of Directors is three and the maximum is ten. Currently, there are three Directors. Directors must retire on a rotational basis so that one-third of Directors must retire at each annual general meeting. Any other Director who has been in office for three or more years must also retire. A retiring Director is eligible for re-election. The Directors may appoint a director either in addition to existing Directors or to fill a casual vacancy, who then holds office until the next annual general meeting.

(g) Decisions of Directors

Questions arising at a meeting of Directors are decided by a majority of votes. The Chairman has a casting vote.

(h) Issue of further Shares

Subject to the Constitution, the Corporations Act 2001 and the ASX Listing Rules, the Directors may issue, or grant options in respect of, Shares to such persons on such terms as they think fit. In particular, the Directors may issue preference Shares, including redeemable preference Shares, and may issue Shares with preferred, deferred or special rights or restrictions in relation to dividends, voting, return of capital and participation in surplus on winding up.

(i) Officers' indemnity

To the full extent permitted by the law and to the extent not covered by insurance, the Company must indemnify each officer of the Company against all losses and liabilities incurred by the person as an officer of the Company, including costs and expenses incurred in defending proceedings in which judgement is given in favour of the person or in which the person is acquitted or in connection with relief granted to the person in an application under the Corporations Act 2001 in respect to such proceedings.

(j) Alteration to the Constitution

The Constitution can only be amended by a special resolution passed by at least 75% of Shareholders present and voting at a general meeting. At least 28 days' notice of the intention to propose the special resolution must be given.

(k) ASX Listing Rules Prevail

To the extent that there are any inconsistencies between the Constitution and the Listing Rules, the Listing Rules shall prevail.

9.2 Employee Option Plan

The Directors are empowered to operate the Plan in accordance with the Listing Rules and on the following terms and conditions:

(a) Subject to paragraph 9.2(d), the Directors may offer to issue Options to eligible employees in accordance with Class Order 03/184, the Plan and in such manner and on such terms and conditions as they in their absolute discretion determine.

(b) If Beadell has offered an eligible employee Options, to accept the offer the eligible employee must complete the acceptance form or accept in such other form as the Directors may in their absolute discretion approve from time to time.

(c) The eligible employees to participate in the Plan shall be as the Directors in their absolute discretion determine and shall take into account skills, experience, length of service with the Company, remuneration level and such other criteria as the Directors consider appropriate in the circumstances.

(d) Options may not be offered under this Plan without the issue of a prospectus in accordance with chapter 6D of the Corporations Act, if the aggregate of:

(i) the number of Options to be issued;

(ii) the number of Shares which would be issued if all the current Options issued under any employment incentive scheme were exercised;

(iii) the number of Shares which have been issued as a result of the exercise of Options issued under any employee incentive scheme, where the Options were issued during the preceding five years; and

(iv) all other Shares issued pursuant to any employee incentive scheme during the preceding five years;

but disregarding any offer made, Options or Shares issued by way of or as a result of:

(v) an offer to a person situated at the time of receipt of the offer outside Australia;

(vi) an offer that was an excluded offer or invitation within the meaning of the Corporations Act as it stood prior to the commencement of Schedule 1 of the Corporate Law Economic Reform Program Act 1999;

(vii) an offer that did not need disclosure to investors because of section 708 of the Corporations Act; or

(viii) an offer under a disclosure document,

would exceed 5% of the then current number of Shares on issue.

(e) The Directors may, in their absolute discretion, offer to eligible employees Options under the Plan, notwithstanding that it has previously issued more than the 5% limit in paragraph 9.2(d), up to a maximum

of 10%, provided that the issue is made in accordance with the requirements of chapter 6D of the Corporations Act.

(f) Options will be issued free of charge to eligible employees. The exercise price of the Options shall be as the Directors in their absolute discretion determine, provided that it shall not be less than that amount which is equal to 90% of the average market price of the Shares in the 5 days in which sales in the Shares were recorded immediately preceding the day on which the Directors resolve to offer the Options.

(g) The Directors may limit the total number of Options which may be exercised under the Plan in any year.

(h) The Directors, in their absolute discretion, having regard to skills, experience, length of service with the Company, remuneration level and such other criteria as the Directors consider appropriate in the circumstances, shall determine criteria to establish the periods during which the Options may be exercised.

(i) All Options with a common expiry date shall have the same exercise price and rights to participate in issues of securities by Beadell.

(j) Unless the Directors in their absolute discretion determine otherwise, Options shall lapse upon the earlier of:

(i) the expiry of the exercise date;

(ii) the Optionholder ceasing to be an eligible employee by reason of dismissal, resignation or termination of employment, office or services for any reason;

(iii) the expiry of 30 days after the Optionholder ceases to be an eligible employee by reason of retirement; or

(iv) a determination by the Directors that the Optionholder has acted fraudulently, dishonestly or in breach of his or her obligations to the Company or an Associated Body Corporate.

(k) If an eligible employee accepts an offer from Beadell to participate in the Plan then Beadell will evidence the issue of an Option to an eligible employee by issuing that eligible employee a certificate for that Option.

(l) Each Option entitles the holder to subscribe for and be issued with one Share.

(m) Shares issued pursuant to the exercise of Options will in all respects, including bonus issues and new issues, rank equally and carry the same rights and entitlements as other Shares on issue.

(n) There are no participating rights or entitlements inherent in the Options and holders will not be entitled to participate in new issues of capital offered to Shareholders during the currency of the Options. However, Beadell will ensure that for the purposes of determining entitlements to any such issue, the record date will be at least 10 business days after the issue is announced. This will give Optionholders the opportunity to exercise their Options prior to the date for determining entitlements to participate in any such issue.

(o) The Options will not be quoted on the ASX. However, application will be made to the ASX for official quotation of the Shares issued on the exercise of the Options if the Shares are listed on the ASX at that time.

(p) An application to be issued Options may be made by eligible employees invited to participate in the Plan in such form and on such terms and conditions concerning the closing date for applications as the Directors in their absolute discretion determine.

(q) If at any time the issued capital of Beadell is reconstructed, all rights of Optionholders are to be changed in a manner consistent with the Listing Rules.

(r) Subject to and in accordance with the Listing Rules (including any waiver issued under such Listings Rules), the Directors (without the necessity of obtaining the prior or subsequent consent of Shareholders of Beadell in a general meeting) may from time to time amend (including the power to revoke, add to or vary) all or any provisions of the terms and conditions in any respect whatsoever, by an instrument in writing, provided that rights or entitlements in respect of any Option issued before the date of amendment shall not be reduced or adversely affected unless prior written approval from the affected holder(s) is obtained.

(s) At the absolute discretion of the Directors, the terms upon which Options will be issued may incorporate performance related factors. Such factors may reflect, inter alia, profitability levels, increases in income or

decreases in costs and may, subject to clause 9.2(r) above, be amended from time to time in a manner favourable to the Optionholder. However such performance related factors, if included in the Option terms or so amended shall not act in any way to constitute a breach of the terms and conditions.

(t) Notwithstanding the terms and conditions, upon the occurrence of a trigger event the Directors may determine:

(i) that the Options may be exercised at any time from the date of such determination, and in any number until the date determined by the Directors acting bona fide so as to permit the holder to participate in any change of control arising from a trigger event provided that the Directors will forthwith advise in writing each holder of such determination. Thereafter, the Options shall lapse to the extent they have not been exercised; or

(ii) to use their reasonable endeavours to procure that an offer is made to holders of Options on like terms (having regard to the nature and value of the Options) to the terms proposed under the trigger event in which case the Directors shall determine an appropriate period during which the holder may elect to accept the offer and, if the holder has not so elected at the end of that period, the Options shall immediately become exercisable and if not exercised within 10 days, shall lapse.

(u) An Option may be transferred to any party to be effected by written notice and delivery of the Option certificate, provided notice of transfer is given to the Company.

(v) An Option is exercisable by the holder lodging with Beadell a notice of exercise of Option together with a cheque for the exercise price of each Option to be exercised and the relevant Option certificate. If not all of the holder's Options are being exercised, a holder must exercise Options in multiples of 1,000.

(w) Neither participation in the Plan by the Company or an associated body corporate or any eligible employee or Optionholder or anything contained in these terms and conditions shall in any way prejudice or affect the right of the Company or an Associated Body Corporate to dismiss any eligible employee or Optionholder or to vary the terms of employment of any eligible employee or Optionholder. Nor shall participation or the rights or benefits of an eligible employee or Optionholder under the terms and conditions be relevant to or be used as grounds for granting or increasing damages in any action brought by an eligible employee or Optionholder against the Company or an associated body corporate whether in respect of any alleged wrongful dismissal or otherwise.

(x) At all times during which an eligible employee may subscribe for or purchase Shares upon exercise of an Option issued pursuant to the Plan, the Company shall provide, within a reasonable period of a request by an eligible employee, the current market price of the Shares and the offer price of the Shares.

(y) The Plan shall be administered by the Directors who shall have power to:

(i) determine appropriate procedures for administration of the Plan consistent with these terms and conditions;

(ii) resolve conclusively all questions of fact or interpretation or dispute in connection with the Plan and settle as the Directors in their absolute discretion determine expedient any difficulties or anomalies howsoever arising with or by reason of the operation of the Plan;

(iii) delegate to any one or more persons for such period and on such conditions as it may determine the exercise of any of the Directors' powers or discretions arising under the Plan; and

(iv) subject to the Listing Rules, waive strict compliance with, amend or add to the terms and conditions of the Plan except for the provisions of clause 9.2(d), and where such actions are taken such actions shall be conclusive, final and binding on Optionholders.

10. Additional Information

10.1 Company History, Tax Status and Financial Year

The Company was incorporated on 3 May 2007.

The Company's financial year ends on 30 June annually and the Directors expect the Company will be taxed in Australia as a public company.

10.2 Continuous Disclosure

The Company is subject to regular reporting and disclosure obligations under the Corporations Act. Copies of documents lodged with the ASIC in relation to the Company may be obtained from, or inspected at, an ASIC office.

Further, the Company will adopt a continuous disclosure policy so as to comply with its continuous disclosure obligations once listed on ASX.

Those obligations will include being required to notify the ASX immediately of any information concerning the Company of which it is, or becomes aware of, and which a reasonable person would expect to have a material effect on the price or value of the Company's Shares. Exceptions apply for certain information which does not have to be disclosed.

Other documents that are required to be lodged include:

(a) half yearly reports and preliminary financial statements, to be provided to the ASX within 60 days of the end of each half and full year accounting period respectively; and

(b) financial statements, to be lodged with the ASX within a specified time after the end of each accounting period.

10.3 Privacy Disclosure

The Company collects information about each Applicant provided on an Application Form for the purposes of processing the Application and, if the Application is successful, to administer the Applicant's security holding in the Company.

By submitting an Application Form, each Applicant agrees that the Company may use the information provided by an Applicant on the Application Form for the purposes set out in this privacy disclosure statement and may disclose it for those purposes to the Share Registry, the Company's related bodies corporate, agents, contractors and third party service providers, including mailing houses and professional advisers, and to the ASX and regulatory authorities.

If an Applicant becomes a Shareholder, the Corporations Act requires the Company to include information about the Shareholder (including name, address and details of the securities held) in its public register. The information contained in the Company's public register must remain there even if that person ceases to be a Shareholder. Information contained in the Company's register is also used to facilitate distribution payments and corporate communications (including the Company's financial results, annual reports and other information that the Company may wish to communicate to its security holders) and compliance by the Company with legal and regulatory requirements.

If you do not provide the information required on the Application Form, the Company may not be able to accept or process your Application. An Applicant has a right to gain access to the information that the Company holds about that person subject to certain exemptions under law. A fee may be charged for access. Access requests must be made in writing to the Company's registered office.

10.4 Taxation Implications

The acquisition and disposal of Shares will have tax consequences, which will differ depending on the individual financial affairs of each investor. All potential investors in the Company are urged to take independent financial advice about the taxation and any other consequences of investing in the Company.

To the maximum extent permitted by law, the Company, its officers and each of their respective advisers accept no liability or responsibility with respect to the taxation consequences of subscribing for Shares under this Prospectus.

10.5 Litigation

Legal proceedings may arise from time to time in the course of the Company's business. As at the date of this Prospectus the Company is not involved in any legal proceedings, nor so far as the Directors are aware, are any

legal proceedings pending or threatened against the Company, or its subsidiaries, the outcome of which will have a material adverse effect on the business or financial position of the Company.

10.6 Directors' Interests

(a) Directors' interest in Shares

The Directors and their related entities have the following interests in the Securities of the Company as at the date of this Prospectus:

Director	No. Of Shares held	No. Of options held
Mike Donaldson	1,700,000	0
Peter Bowler	5,550,000	1,000,000
Robert Watkins	5,550,000	1,000,000

Directors are not required to hold any Shares in the Company under the Constitution of the Company.

(b) Directors Participation in Offer

The Directors may participate in the Offer by subscribing for Shares under the Offer to the following maximum levels:

Director	Max no. of Shares	$
Mike Donaldson	100,000	25,000
Peter Bowler	4,000,000	1,000,000
Robert Watkins	200,000	50,000

(c) Remuneration of Directors

The Constitution provides that the Company may remunerate the Directors. The remuneration shall, subject to any resolution of a general meeting, be fixed by the Directors.

The Constitution of the Company provides that Non-Executive Directors may collectively be paid as remuneration for their services a fixed sum not exceeding the aggregate maximum of $250,000 per annum which has been set by the Company in general meeting. It is currently resolved that the Non-Executive Chairman will receive fees of $50,000 plus superannuation of $4,500 per annum.

A Director may be paid fees or other amounts as the Directors determine, where a Director performs duties or provides services outside the scope of their normal Director's duties. A Director may also be reimbursed for out of pocket expenses incurred as a result of their directorship or any special duties.

Under employment contracts entered into by the Company the following Directors will receive remuneration inclusive of superannuation as follows:

Director	Remuneration ($)
Mike Donaldson	54,500
Peter Bowler	228,900
Robert Watkins	218,000

Except as disclosed in this Prospectus, no Director holds, or during the last two years has held, any interest in:

(a) the formation or promotion of the Company;

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion; or

(c) the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to any Director to induce him to become or to qualify as a Director or otherwise for services rendered by him or her in connection with the formation or promotion of the Company or the Offer.

There were no transactions with Directors since incorporation other than those set out in this Section 10.6 and other Sections of this Prospectus.

(d) Other Interests

The Company has agreed to pay Mike Donaldson, consulting fees for exploration advisory services at $1,200 per day for at least 4 days per month being a minimum of $58,000 per annum in addition to his fee for acting as non-executive Chairman and a Director.

The Company intends to repay the interest free loan of $99,000 by Peter Bowler to the Company from the proceeds of the Offer.

Each Director also will have the benefit of the Deeds of Indemnity referred to in Section 7.4.

10.7 Expenses of the Offer

The total expenses of the Offer payable by the Company are estimated at approximately $915,000. These expenses include broker fees, expert fees, accounting fees, legal fees, ASX and ASIC fees, the cost of printing and distributing this Prospectus and other miscellaneous expenses.

These expenses have been paid or will be payable by the Company.

10.8 Shareholders

As at the date of the Prospectus the shareholders of the Company are:

Name of Shareholder	Number of Shares Held
Braidwood Investments (WA) Pty Ltd	5,550,001
Robert Holmes Watkins	5,550,001
Hookipa Pty Ltd <ATF G Barrett Family A/C>	5,550,001
Lynette Donaldson	1,700,000

10.9 Interests of Promoters, Experts and Advisors

Except as disclosed in this Prospectus, no promoter or other person named in this Prospectus that has performed a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus holds, or in the past two years has held, any interest in:

(a) the formation or promotion of the Company; or

(b) property acquired or proposed to be acquired by the Company in connection with its formation or promotion or the Offer; or

(c) the Offer,

and no amounts of any kind (whether in cash, Shares or otherwise) have been paid or agreed to be paid to a promoter or any person named in this Prospectus as performing a function in a professional, advisory or other capacity in connection with the preparation or distribution of the Prospectus for services rendered by that person in connection with the formation or promotion of the Company or the Offer.

Hardy Bowen Lawyers act as solicitors to the Company and in that capacity have been involved in providing legal advice to the Company in relation to the Offer. The Company will pay approximately $20,000 to Hardy Bowen Lawyers for these services. Hardy Bowen Lawyers have provided general legal advice in relation to the various tenement acquisition agreements and have or will be paid $4,500 for these services.

Peter F Robinson and Associates Pty Ltd has prepared the Independent Geologist's Report on the Australian tenements included in Section 4 of this Prospectus. The Company will pay approximately $12,000 to Peter F Robinson and Associates Pty Ltd for these services.

Snowden Mining Industry Consultants Pty Ltd has prepared the Independent Geologist's Report on the Australian tenements included in Section 4 of this Prospectus. The Company will pay approximately $46,000 to Snowden Mining Industry Consultants Pty Ltd for these services.

Stanton Partners Corporate Pty Ltd has prepared the Investigating Accountant's Report included in Section 5 of this Prospectus. The Company will pay approximately $10,000 to Stanton Partners Corporate Pty Ltd for these services.

Greg Barrett the company secretary, through Hookipa Pty Ltd, is the holder of 5,550,001 Shares. The Company has entered into an employment agreement with Greg Barrett under which he will receive $218,000 per annum.

Southern Cross Equities Limited and Taylor Collison are the joint lead managers of the Offer. Details of the arrangement with the joint lead managers is in Section 2.7.

KPMG are auditors of the Company and will be paid for these services on standard industry terms and conditions.

Computershare Investor Services Pty Ltd has been appointed to conduct the Company's share registry functions and to provide administrative services in respect to the processing of Applications received pursuant to this Prospectus, and will be paid for these services on standard industry terms and conditions.

The amounts disclosed above are exclusive of any amount of goods and services tax payable by the Company in respect of those amounts.

10.10 Consents

Each of the parties referred to in this Section:

(a) has not made any statement in this Prospectus or any statement on which a statement in this Prospectus is based, other than specified below;

(b) to the maximum extent permitted by law, expressly disclaims all liability in respect of, makes no representation regarding, and takes no responsibility for, any part of this Prospectus, other than the references to its name and the statement(s) and/or report(s) (if any) specified below and included in this Prospectus with the consent of that party ;and

(c) has given and has not, before the date of this Prospectus, with ASIC, withdrawn its written consent:

(i) to be named in this Prospectus in the form and context which is named; and

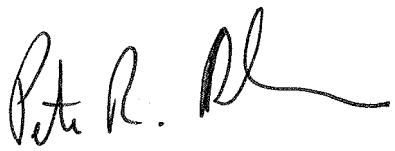
(ii) to the inclusion in this Prospectus of the statement(s) and/or report(s) (if any) by that person in the form and context in which it appears in this Prospectus.

Name	Role	Statement/Report
Peter F Robinson and Associates Pty Ltd	Independent Geologist	Independent Geologist's Report
Snowden Mining Industry Consultants Pty Ltd	Independent Geologist	Independent Geologist's Report
Stanton Partners Corporate Pty Ltd	Investigating Accountant	Investigating Accountant's Report
Hardy Bowen Lawyers	Solicitor to the Company	Nil
Taylor Collison Ltd	Joint Lead Manager	Nil
Southern Cross Equities Limited	Joint Lead Manager	Nil
KPMG	Auditors	Nil
Computershare Investor Services Pty Ltd	Share Registry	Nil

11. Authorisation

This Prospectus is authorised by each of the Directors of Beadell Resources Ltd and each has consented to the lodgement of this Prospectus in accordance with section 720 of the Corporations Act 2001.

This Prospectus is signed for and on behalf of Beadell Resources Ltd by:



.....

Peter Bowler

Managing Director

Dated 10 August 2007

12. Glossary of Terms

These definitions are provided to assist persons in understanding some of the expressions used in this Prospectus.

Terms used in the Independent Geologists Report in Section 4 have the same meaning throughout this Prospectus unless otherwise defined.

Agincourt	Agincourt Resources Ltd ACN 088 174 565
Agincourt Exploration	Agincourt Resources (Exploration) Pty Ltd ACN 098 917 732 (formerly known as Reliance Minerals Limited).
Allotment Date	The day, as determined by the Directors, on which the Shares offered under this Prospectus are allotted.
Application Form(s) or **Form(s)**	The application form attached to this Prospectus for this Offer.
Applicant	A person who submits an Application Form.
Application(s)	A valid application(s) for Shares made pursuant to an Application Form.
Application Monies	Application monies for Shares received and banked by the Company.
ASIC	Australian Securities and Investments Commission.
ASTC	ASX Settlement and Transfer Corporations Pty Ltd ACN 008 504 532.
ASTC Operating Rules	Operating rules of ASTC, except to the extent of any relief given by ASTC.
ASX	ASX Limited ACN 008 624 691, and where the context permits, the Australian Securities Exchange operated by the ASX Limited.
Australian Tenements	The tenements listed in the schedule to the Tenement Sale Agreement.
Beadell Resources Mineração	Beadell Resources Mineração Ltda. a corporation organised and existing under the laws of the Federative Republic of Brazil under no. 08.176.361/0001-03.
BHPB Nickel West	BHP Billiton Nickel West Pty Ltd (formerly known as WMC Resources Ltd) ACN 004 184 598
Board	Board of Directors of the Company as at the date of this Prospectus.
Brazilian Agreement	Has the meaning in Section 7.2.
Brazmin	Brazmin Ltda. a corporation organised and existing under the laws of the Federative Republic of Brazil under no. 04.566.109/0001-41. It is a subsidiary of Talon Metal Corp.
Business Day	A day on which ASX is open for trading.
CHESS	Clearing House Electronic Sub-Register System – the central register for electronic transfer of ownership
Closing Date	The date specified as the closing date in the Indicative Timetable of the Offer.
Company or Beadell	Beadell Resources Ltd ACN 125 222 291.
Completion	Has the meaning in Section 7.1.
Constitution	The current Constitution of the Company.
Corporations Act	Corporations Act 2001 (Commonwealth).
CST	Central Standard Time, being the time in Adelaide, South Australia.
Directors	The Directors of the Company as at the date of this Prospectus.
DNPM	Departmento Nacional de Produção Mineral (National Department of Mineral Production) of the Federative Republic of Brazil.
Exposure Period	In accordance with section 727(3) of the Corporations Act, the period of 7 days (which may be extended by ASIC up to 14 days) after lodgement of

	this Prospectus with ASIC during which the Company must not process Applications.
GST	Goods and Services Tax.
Investigating Accountant	Stanton Partners Corporate Pty Ltd ACN 063 036 331
Investigating Accountant's Report	The report prepared by the Investigating Accountant that appears in Section 5.
Independent Geologists	Peter F. Robinson & Associates Pty Ltd ACN 009 224 695 and Snowden.
Independent Geologists Reports	The reports prepared by the Independent Geologists that appears in Section 4.
Lake Mackay Project	Has the meaning in Section 3.2(c).
Lake Torrens Project	Has the meaning in Section 3.2(e).
Letter Agreement	Has the meaning in Section 7.3.
Listing Approval	Has the meaning in Section 7.1.
Listing Rules	The official listing rules of ASX and any other rules of ASX which are applicable while any Shares are admitted to the Official List of ASX, each as amended or replaced from time to time, except to the extent of any express written waiver by ASX.
Mineral Rights	Has the meaning in Sections 3.1 and 7.3.
Mining Information	All the mining information in respect to the Australian Tenements.
Offer	The Offer in Section 2.1 of this Prospectus.
Offer Period	The period from the Opening Date up to and including the Closing Date.
Officer	The company secretary of the Company as at the date of this Prospectus.
Official List	The official list of ASX.
Official Quotation	Official Quotation of Company's Shares on the Official List.
Opening Date	The date specified as the opening date in the Indicative Timetable of the Offer.
Option	An option granted by the Company to subscribe for one Share.
Optionholder	Any person holding Options.
Oxiana	Oxiana Ltd ACN 005 482 824
Plan	The Employee Option Plan in section 9.2.
Prospectus	This prospectus with the date in Section 11.
Reedy Creek Project	Has the meaning in Section 3.2(d).
Section	A section of this Prospectus.
Securities	A Share or Option issued or granted (as the case may be) by the Company.
Securityholder	Any person holding Securities.
Share or Shares	Ordinary fully paid voting Shares in the capital of the Company.
Share Registry	Computershare Investor Services Pty Ltd ACN 078 279 277
Shareholder	Any person holding Shares.
Snowden	Snowden Mining Industry Consultants Pty Ltd ACN 085 319 562.
Southern Cross Equities	Southern Cross Equities Ltd ACN 071 935 441
Talon Metals Corp	Talon Metals Corp is registered in the British Virgin Islands and listed on the Toronto Stock Exchange. It is the parent entity of Brazmin Ltda.

Tartaruga Project	Has the meaning in Section 3.3(a).
Taylor Collison	Taylor Collison Ltd ACN 008 172 450
Tropicana East Project	Has the meaning in Section 3.2(a).
Tenements	The tenements referred to in Tenement Summary.
Tenement Sale Agreement	The tenement sale agreement referred to in Section 7.1.
Tenement Summary	The tenement summary that appears in Section 6.
Vendors	Has the meaning in Section 7.1.
West Musgrave Project	Has the meaning in Section 3.2(b).
Western Mining Corporation	The former name of BHPB Nickel West.
Wiluna	Wiluna Operations Ltd ACN 101 250 739

BEADELL RESOURCES LIMITED
APPLICATION FORM

Please read all instructions on reverse of this form

Share Registrars use only	
Broker reference – stamp only	
Broker code	Adviser Code

A Number of Shares applied for

at $0.25 each =

B Total amount payable
cheque(s) to equal this amount

A$

you may be allocated all of the Shares above or a lesser number

C Full name details title, given name(s) (no initials) and surname or company name

Name of applicant 1

Name of joint applicant 2 or <account name>

Name of joint applicant 3 or <account name>

D Tax file number(s)
Or exemption category

Applicant 1/company

Joint applicant 2/ trust

Joint applicant 3/exemption

E Full postal address

Number/street

Suburb/town

State/postcode

F Contact details

Contact name

Contact daytime telephone number

( )

Contact email address

G **CHESS HIN** (if applicable)

H Cheque payment details
please fill out your cheque details and make your cheque payable to: **"Beadell Resources Ltd – Subscription Account"**

Drawer	Cheque number	BSB number	Account number	Total amount of cheque

I Return of the Application Form with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company. I/We declare that:

(a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and

(b) I/we have received personally a copy of the Prospectus accompanying the Application Form, before applying for Shares.

No signature is required.

You should read the Prospectus dated 10 August 2007 carefully before completing this Application Form. The Corporations Act 2001 (Cth) prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

Guide to Beadell Resources Limited Application Form

This Application Form relates to the Offer of up to 60,000,000 Shares in Beadell Resources Limited at $0.25 per Share pursuant to the Prospectus dated 10 August 2007. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and an Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained below.

A Insert the number of Shares you wish to apply for.

B Insert the relevant amount of Application monies. To calculate your Application monies, multiply the number of Shares applied for by the sum of $0.25.

C Write the full name you wish to appear on the statement of holdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHESS) participants should complete their name and address in the same format as that are presently registered in the CHESS system.

D Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Official Quotation of your TFN is not compulsory and will not affect your Application.

E Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.

F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.

G The Company will apply to ASX to participate in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited.
If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold securities allotted to you under this Application in uncertificated form on the CHESS subregister, complete section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to Section 3.12 of the Prospectus.

H Please complete cheque details as requested:
Make your cheque payable to **"Beadell Resources Ltd – Subscription Account"** in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

I Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form

Privacy – Please refer to Section 10.3 of the Prospectus for details about the collection, holding and use of your personal information. If you do not provide the information required on this Offer Application Form, the Company may not be able to accept or process your Application.

Correct form of registrable title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	**Correct form of Registrable Title**	**Incorrect form of Registrable Title**
Individual Use names in full, no initials	**Mr John Alfred Smith**	**JA Smith**
Minor (a person under the age of 18) Use the name of a responsible adult; do not use the name of a minor.	**John Alfred Smith <Peter Smith>**	**Peter Smith**
Company Use company title, not abbreviations	**ABC Pty Ltd**	**ABC P/L** **ABC Co**
Trusts Use trustee(s) personal name(s), do not use the name of the trust	**Mrs Sue Smith <Sue Smith Family A/C>**	**Sue Smith Family Trust**
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	**Ms Jane Smith <Est John Smith A/C>**	**Estate of late John Smith**
Partnerships Use partners personal names, do not use the name of the partnership	**Mr John Smith and Mr Michael Smith <John Smith and Son A/C>**	**John Smith and Son**

Return your completed Application Form to:

By Post
Computershare Investor Services Pty Ltd
GPO Box 1903
ADELAIDE SA 5001

Or Delivered to
Computershare Investor Services Pty Ltd
Level 5
115 Grenfell Street
ADELAIDE SA 5000

BEADELL RESOURCES LIMITED
APPLICATION FORM

Please read all instructions on reverse of this form

Share Registrars use only	
Broker reference – stamp only	
Broker code	Adviser Code

A Number of Shares applied for

at $0.25 each =

B Total amount payable
cheque(s) to equal this amount

A$

you may be allocated all of the Shares above or a lesser number

C Full name details title, given name(s) (no initials) and surname or company name

Name of applicant 1

Name of joint applicant 2 or <account name>

Name of joint applicant 3 or <account name>

D Tax file number(s)
Or exemption category

Applicant 1/company

Joint applicant 2/ trust

Joint applicant 3/exemption

E Full postal address

Number/street

Suburb/town

State/postcode

F Contact details

Contact name

Contact daytime telephone number

( )

Contact email address

G **CHESS HIN** (if applicable)

H Cheque payment details
please fill out your cheque details and make your cheque payable to: **"Beadell Resources Ltd – Subscription Account"**

Drawer	Cheque number	BSB number	Account number	Total amount of cheque

I Return of the Application Form with your cheque for the Application Monies will constitute your offer to subscribe for Shares in the Company. I/We declare that:

(a) this Application is completed according to the declaration/appropriate statements on the reverse of this form and agree to be bound by the Constitution of the Company; and

(b) I/we have received personally a copy of the Prospectus accompanying the Application Form, before applying for Shares.

No signature is required.

You should read the Prospectus dated 10 August 2007 carefully before completing this Application Form. The Corporations Act 2001 (Cth) prohibits any person from passing on this Application Form (whether in paper or electronic form) unless it is attached to or accompanies a complete and unaltered copy of the Prospectus and any relevant supplementary prospectus (whether in paper or electronic form).

Guide to Beadell Resources Limited Application Form

This Application Form relates to the Offer of up to 60,000,000 Shares in Beadell Resources Limited at $0.25 per Share pursuant to the Prospectus dated 10 August 2007. The expiry date of the Prospectus is the date which is 13 months after the date of the Prospectus. The Prospectus contains information about investing in the Shares of the Company and it is advisable to read this document before applying for Shares. A person who gives another person access to this Application Form must at the same time and by the same means give the other person access to the Prospectus, and any supplementary prospectus (if applicable). While the Prospectus is current, the Company will send paper copies of the Prospectus, and any supplementary prospectus (if applicable), and an Application Form, on request and without charge.

Please complete all relevant sections of the Application Form using BLOCK LETTERS. These instructions are cross referenced to each section of the Application Form. Further particulars and the correct forms of registrable titles to use on the Application Form are contained below.

A Insert the number of Shares you wish to apply for.

B Insert the relevant amount of Application monies. To calculate your Application monies, multiply the number of Shares applied for by the sum of $0.25.

C Write the full name you wish to appear on the statement of holdings. This must be either your own name or the name of the company. Up to three joint Applicants may register. You should refer to the table below for the correct forms of registrable title. Applicants using the wrong form of title may be rejected. Clearing House Electronic Sub-Register System (CHESS) participants should complete their name and address in the same format as that are presently registered in the CHESS system.

D Enter your Tax File Number (TFN) or exemption category. Where applicable, please enter the TFN for each joint Applicant. Collection of TFN(s) is authorised by taxation laws. Official Quotation of your TFN is not compulsory and will not affect your Application.

E Please enter your postal address for all correspondence. All communications to you from the share registry will be mailed to the person(s) and address as shown. For Joint Applicants, only one address can be entered.

F Please enter your telephone number(s), area code, email address and contact name in case we need to contact you in relation to your Application.

G The Company will apply to ASX to participate in CHESS, operated by ASX Settlement and Transfer Corporation Pty Ltd, a wholly owned subsidiary of Australian Stock Exchange Limited.
If you are a CHESS participant (or are sponsored by a CHESS participant) and you wish to hold securities allotted to you under this Application in uncertificated form on the CHESS subregister, complete section G or forward your Application Form to your sponsoring participant for completion of this section prior to lodgement. Otherwise, leave section G blank and on allotment, you will be sponsored by the Company and an SRN will be allocated to you. For further information refer to Section 3.12 of the Prospectus.

H Please complete cheque details as requested:
Make your cheque payable to **"Beadell Resources Ltd – Subscription Account"** in Australian currency and cross it "Not Negotiable". Your cheque must be drawn on an Australian Bank. The amount should agree with the amount shown in Section B. Sufficient cleared funds should be held in your account, as cheques returned unpaid are likely to result in your Application being rejected.

I Before completing the Application Form the Applicant(s) should read the Prospectus to which the Application relates. By lodging the Application Form, the Applicant(s) agrees that this Application is for Shares in the Company upon and subject to the terms of this Prospectus, agrees to take any number of Shares equal to or less than the number of Shares indicated in section A that may be allotted to the Applicant(s) pursuant to the Prospectus and declares that all details and statements made are complete and accurate. It is not necessary to sign the Application Form

Privacy – Please refer to Section 10.3 of the Prospectus for details about the collection, holding and use of your personal information. If you do not provide the information required on this Offer Application Form, the Company may not be able to accept or process your Application.

Correct form of registrable title

Note that only legal entities are allowed to hold Shares. Applications must be in the name(s) of a natural person(s), companies or other legal entities acceptable to the Company. At least one full given name and the surname is required for each natural person. The name of the beneficiary or any other non-registrable title may be included by way of an account designation if completed exactly as described in the example of correct forms of registrable title below:

Type of investor	**Correct form of Registrable Title**	**Incorrect form of Registrable Title**
Individual Use names in full, no initials	**Mr John Alfred Smith**	**JA Smith**
Minor (a person under the age of 18) Use the name of a responsible adult; do not use the name of a minor.	**John Alfred Smith <Peter Smith>**	**Peter Smith**
Company Use company title, not abbreviations	**ABC Pty Ltd**	**ABC P/L** **ABC Co**
Trusts Use trustee(s) personal name(s), do not use the name of the trust	**Mrs Sue Smith <Sue Smith Family A/C>**	**Sue Smith Family Trust**
Deceased Estates Use executor(s) personal name(s), do not use the name of the deceased	**Ms Jane Smith <Est John Smith A/C>**	**Estate of late John Smith**
Partnerships Use partners personal names, do not use the name of the partnership	**Mr John Smith and Mr Michael Smith <John Smith and Son A/C>**	**John Smith and Son**

Return your completed Application Form to:

By Post
Computershare Investor Services Pty Ltd
GPO Box 1903
ADELAIDE SA 5001

Or Delivered to
Computershare Investor Services Pty Ltd
Level 5
115 Grenfell Street
ADELAIDE SA 5000

Len Beadell (1923-1995) O.A.M,B.E.M.,F.I.E.M.S(Aust)

Len Beadell has been described as "The Last Australian Explorer" because of his lifetime of work surveying, mapping and creating access to a vast portion of the Australian Outback.

In 1947, he was tasked by the Australian government to locate and survey the site for a rocket testing range in northern South Australia stretching across West Australia almost to the Indian Ocean. The town that was the base for the range was later named Woomera. This he tackled with enthusiasm, energy and unfailing good humour.

As a surveyor Len was responsible for the initial town survey and launch sites and in the years to follow he led a gang of roadmakers to create over 6,500 kilometres of access roads for scientific observers of various weapons tests.

The best known of these roads is The Gunbarrel Highway which runs from the Stuart Highway west to Carnegie Station, a distance of 1500 kilometres.

Source: http://www.beadell.com.au/lb_biography.htm

Telephone: +61 8 9216 5800
Facsimile: +61 8 9216 5888
www.beadellresources.com.au

Registered Office
2nd Floor, 16 Ord Street
West Perth 6005 Western Australia

Postal Address
PO Box 219
West Perth 6872 Western Australia

beadell
resources limited