



ASX ANNOUNCEMENT
ASX Code: BDR

4 June 2015

OPERATIONS UPDATE

Beadell Resources Limited (“**Beadell**” or “the **Company**”) confirms that, while the 2015 gold sales guidance of 170,000 – 190,000 ounces remains in place, the June quarter gold sales guidance has been adjusted to between 25,000 and 28,000 ounces due to lower than expected material movement in April and May from the open pits. A recovery plan has been implemented to lift gold sales for the second half of 2015 to 115,000 – 125,000 ounces. All-in sustaining costs for the full year are expected to remain within guidance of US\$810 – US\$890 per ounce.

Material movement from the open pits has been affected by higher than average rainfall during the wet season, especially April and May (historically the two wettest months of the year) which have been 17% higher than average (see Graph 1).

The high rainfall events in April and May have particularly impacted material movement due to the Urucum open pit currently transitioning from a majority of clay rich colluvium and oxide overburden in the upper levels to harder ore. This has severely restricted truck movement from the pits to stockpile and waste dump locations. This impact will be largely negated in future wet seasons when predominantly hard rock benches are reached within the Urucum open pit allowing waste dumps and haul roads to be sheeted in hard waste rock enabling accessibility in all weather conditions.

Managing Director Peter Bowler commented: “Whilst it is disappointing to be curtailed in the current June quarter, I am confident we have a robust recovery plan to lift gold sales in the second half. With the dry season now commencing and with ample earthmoving equipment arrived and arriving on site, our material movement is already gaining momentum (See Photo 1). The small but highly profitable Duckhead cut-back will be undertaken with additional hired equipment to ensure no interference to the planned high production rates from our own Tucano pits. The recent movement in the Brazilian Real (See Graph 2) coupled with strong cost control and recent labour reduction initiatives have ensured a continued strong balance sheet. We have a reinvigorated senior management team in place with a dedicated earthmoving partner committed to extracting the required gold ore in the second half.”

Recovery Plan

The senior management team has recently been refreshed with the replacement of the site based Brazilian General Manager with an experienced open pit engineer who also has extensive expat experience in Australia. This will further align work expectations with MACA, the Company's mining contracting partner. The Company's Chief Operating Officer, Boyd Timler, continues to spend the majority of his time onsite driving the recovery plan.

Additional Machinery for Recovery Plan

The following additional mining equipment provided by MACA under its Mining Contract with Beadell has arrived and is arriving on site:

- 40T Volvo dump truck x 5, arrived 13th April
- 9150 Liebherr (150 ton excavator), arrived 30th May
- 16M grader x 2, arrived 30th May
- 580 Front end loader ordered (in-country) ETA early June
- F9 Drill and Blast rig x 2 ETA early June
- EC700 Volvo 70t excavator, ETA early June
- D9 Dozer, ETA mid-July
- 777G Caterpillar dump truck x 3 ETA 7th August
- 5150 Drill & Blast Rig x 2 - ETA 30th August

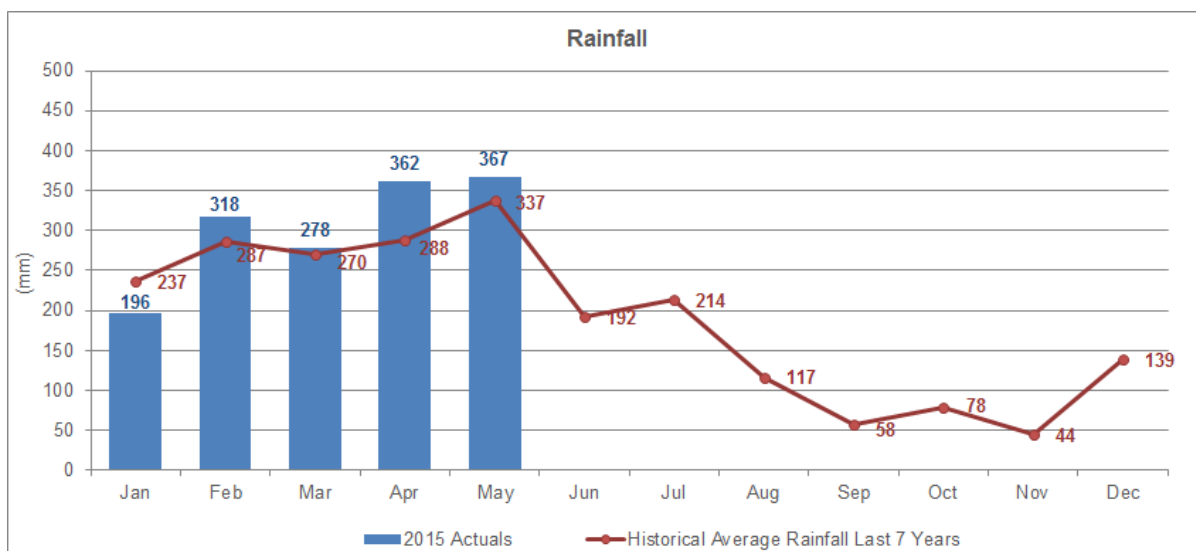
Additional external hire of all earthmoving equipment for the mining of Duckhead open pit cutback due onsite late June.

Duckhead Update

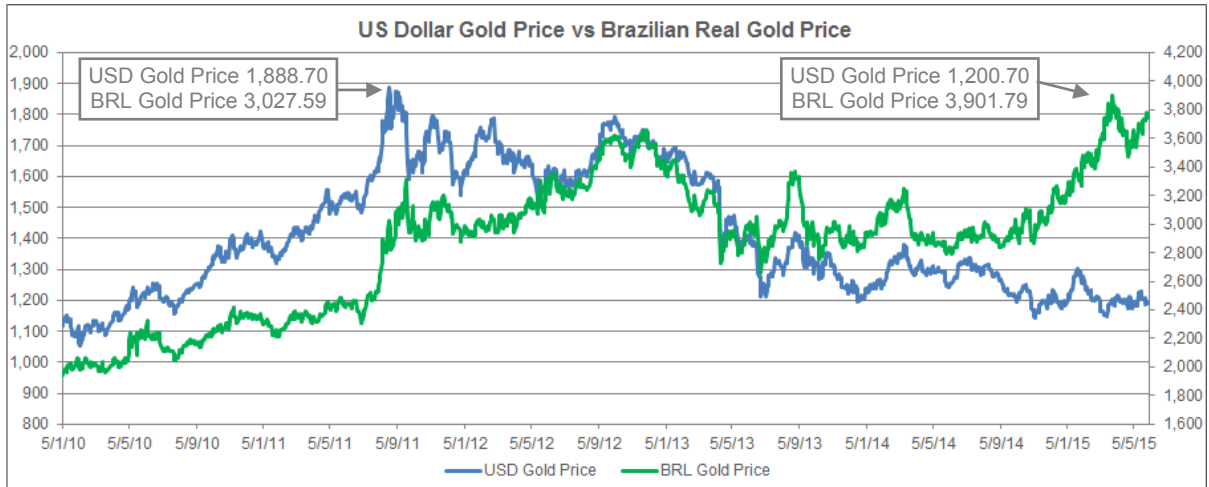
Mining of Duckhead open pit cut-back will resume in early July and finish in November. With 20,000 ounces of gold to be extracted from only 1.4 million tonnes of total material movement, this will be a low cost contribution to the second half mine plan.

Exploration Update

Encouraging drill results continue to be received from Urucum Underground and Gold Nose, located 1 km southeast of Duckhead. Compilation of the new results, as well as several imminent pending results, will be released in an exploration update shortly.



Graph 1. Historical average rainfall chart



Graph 2. US Dollar Gold Price versus Brazilian Real Gold Price



Photo 1. Mining high grade ore (2.2 g/t gold) at Urucum pit with a 250T excavator on June 2, 2015

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