beadell resources limited

ABN 50 125 222 291

ASX Appendix 4D and
Condensed Consolidated Interim Financial Report
For the half year ended 30 June 2015

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Appendix 4D
Half Year Ended 30 June 2015

Results for Announcement to the Market

Current Reporting Period: 6 Months ended 30 June 2015
Previous Corresponding Reporting Period: 6 Months ended 30 June 2014

	30 Jun 2015 $'000	30 Jun 2014 $'000	Percentage Increase/(Decrease)
Sales Revenue	83,294	110,588	(25%)
(Loss)/Profit from continuing operations after tax attributable to members of the parent entity *	(30,335)	15,052	(302%)
Net (loss)/profit attributable to members of the parent entity	(30,335)	15,052	(302%)

** Includes impairment losses of $15.9 million.*

Dividends	30 Jun 2015	30 Jun 2014
Interim dividend per share	Nil	Nil
Franked amount per share	Nil	Nil
Record date for determining entitlement to dividend	N/A	N/A
Date dividend payable	N/A	N/A

The Directors have determined that there will be no interim dividend for the half-year ended 30 June 2015.

	30 Jun 2015 $	30 Jun 2014 $
Net tangible assets per share*	0.18	0.27

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

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

Corporate directory

Directors

Craig Readhead	Independent Non – Executive Director, Chairman
Mike Donaldson	Independent Non – Executive Director
Ross Kestel	Independent Non – Executive Director
Peter Bowler	Managing Director
Rob Watkins	Executive Director Geology

Company Secretary

Greg Barrett

Corporate Details

Beadell Resources Ltd (ABN 50 125 222 291)

Issued capital 798,657,280 ordinary shares

Registered and Principal Office

2nd Floor, 16 Ord Street

West Perth WA 6005

Telephone: +61 8 9429 0800

Facsimile: +61 8 9481 3176

Internet: www.beadellresources.com.au

Brazil Office

Beadell Brasil Ltda

Rua Voluntários da Pátria, 89, 6° andar, Botafogo

CEP 22.270-000, Rio de Janeiro - RJ

Telephone: + 55 21 2122 0500

Facsimile: + 55 21 2122 0502

Share Registry

Computershare Investor Services Pty Ltd

Level 5, 115 Grenfell Street

Adelaide SA 5000

Telephone: 1300 137 515

Telephone: +61 3 9415 4667

Stock Exchange Listing

ASX Ltd

ASX code: BDR

Auditor

KPMG

Directors' report

For the six months ended 30 June 2015

The directors present their report together with the financial report of the Beadell Resources Limited ("the Company" or "Beadell") Group, being the Company and its subsidiaries, for the six months ended 30 June 2015 ("the period") and the auditor's review report thereon.

Directors

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

Mr Craig Readhead (Chairman) - Independent Non-Executive
Dr Michael Donaldson - Independent Non-Executive
Mr Ross Kestel - Independent Non-Executive
Mr Peter Bowler – Managing Director
Mr Robert Watkins – Executive Director Geology

Operating results

The loss after income tax for the six months ended 30 June 2015 was $30,335,000 (30 June 2014: $15,052,000 (profit)).

	Jun 2015	Jun 2014	% Change
Operating results			
Waste moved (t)	6,951,563	4,196,436	65.7%
Marginal Ore Stockpiled (t)	147,235	114,540	28.5%
Gold ore mined (t)	999,246	593,452	68.4%
Gold ore milled (t)	1,788,353	1,977,618	(9.6%)
Head grade (g/t)	1.02	1.07	(4.7%)
Plant recovery (%)	89%	89%	0.0%
Gold recovered (oz)	52,396	60,718	(13.7%)
Gold sold (oz)	53,986	69,240	(22.0%)
Cash Costs and All-In Sustaining Costs	**US$ millions**	**US$ millions**	
On-site production costs	45.8	53.2	(13.8%)
On-site general and administrative costs	3.5	4.4	(21.3%)
By-product credits	-	(1.2)	(100.0%)
Cash Costs	49.3	56.4	(12.6%)
Cash Costs US$/oz sold	*US$913/oz*	*US$815/oz*	12.0%
Royalties	1.5	1.4	9.1%
On-site corporate costs	1.1	1.5	(29.7%)
Exploration costs (sustaining)	0.3	2.5	(88.3%)
Capitalised stripping costs (sustaining)	5.3	6.8	(22.7%)
Capital expenditure (sustaining)	0.1	1.3	(95.1%)
All-In Sustaining Costs	57.5	69.9	(17.7%)
All-In Sustaining Costs US$/oz sold	*US$1,065/oz*	*US$1,010/oz*	5.4%
Underlying EBITDA	**A$ millions**	**A$ millions**	
Net sales revenue	83.3	110.6	(24.7%)
Costs of production	(68.4)	(64.0)	6.9%
	14.9	46.6	(68.0%)
Other significant items	**A$ millions**	**A$ millions**	
Depreciation and amortisation	(9.8)	(11.9)	(17.9%)
Administrative expenses	(9.3)	(6.0)	54.0%
Impairment losses	(16.0)	(1.1)	1334.6%
Net finance expense	(11.2)	(5.0)	122.9%
Income tax benefit/(expense)	3.1	(3.5)	(187.3%)
Reported profit/(loss) after tax	**(30.3)**	**15.1**	**(300.9%)**
Other financial information	**A$ millions**	**A$ millions**	
Cash flow from operating activities	9.2	12.2	(24.4%)
Cash and cash equivalents	11.0	22.9	(52.0%)
Net assets	164.1	240.3	(31.7%)
Basic earnings per share	(A$0.04)/share	A$0.02/share	(300.0%)

Directors' report

Notes to the Operating Results

Information contained in the summary of financial data presented on page 5 contains non-IFRS measures which have not been subject of review by the Company's auditor.

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

Review of operations

Tucano Gold Mine

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

Gold Production

Gold production for the six months ended 30 June 2015 at Tucano was 52,396 ounces. During the period, 1,788,353 tonnes of predominantly oxide ore were processed at an average recovery of 89%. Material movement and subsequent gold production were adversely effected by reduced fleet utilisation and low material mined due to heavier than average rains in the period. Consequently, higher volumes of lower grade stockpiles were used to supplement the mill feed, resulting in a reduced feed grade.

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

Mining

Mining activities for the period were mostly impacted by the wet conditions on the waste dumps, restricting the use of the larger fixed frame haulage fleet with primary reliance on the smaller articulated dump trucks.

Total material mined was 8.1 million tonnes, of which 999,246 tonnes was gold ore at a grade of 1.30 g/t gold. The mill feed during the period was 1.8 million tonnes, supplemented with low grade stockpiles to maintain a 300,000 tonnes per month rate, at an average feed grade of 1.02 g/t gold. Approximately 55% of the ore mined was from Urucum pits following the completion of the Duckhead Stage 2 pit.

During the period, five new 40T Volvos, two new Caterpillar 16M graders and a new Liebherr 9150 excavator were commissioned by the Company's mining contractor. Additionally, two Atlas Copco F9 drill rigs and a Liebherr 964 excavator were hired during the period. The primary mining fleet was relocated to Urucum as the Duckhead Stage 2 pit was completed.

Gold ore stockpiles at the end of June totalled 4.5 million tonnes @ 0.76 g/t gold for 109,000 ounces plus marginal stockpiles of 1.5 million tonnes @ 0.45 g/t gold for 21,000 ounces. Total stockpiles, including marginal stockpiles, totalled 5.9 million tonnes @ 0.68 g/t gold for 131,000 ounces.

Mine Plan Outlook

Following on from the updated Annual Resource and Reserve Statement announced in April, a new Life Of Mine ("LOM") plan has been optimised and scheduled, resulting in a three phased open pit cutback of the Urucum and Tap AB open pits. The new LOM contains a further six years of open pit mine life from the start of 2016 producing between 160,000 – 180,000 ounces of gold per annum. The LOM does not yet include Urucum Underground, which is currently the subject of a prefeasibility study ("Urucum PFS") to be completed by the end of this year.

Resource and Reserve Development

An annual Mineral Resource and Ore Reserve statement updated as at 31 December 2014 and produced in accordance with the 2012 Edition of the Australasian Code for Reporting of Mineral Resources and Ore Reserves (the JORC Code) was released on 7 April 2015.

As at December 2014, Tucano Mineral Resources totalled 100.1 million tonnes @ 1.67 g/t gold for 5.4 million ounces gold, an 8% increase from 31 December 2013. Tucano Ore Reserves totalled 25.7 million tonnes @ 1.57 g/t for 1.3 million ounces gold comprising open pit Ore Reserves of 20.6 million tonnes @ 1.77 g/t gold for 1.2 million ounces and Stockpiles of 5.1 million tonnes @ 0.78 g/t gold for 0.1 million ounces.

A total of 572,000 resource ounces (+12%) were added and 171,000 ounces (-3%) were depleted by mill feed at Tucano. Significant additions to the Tucano resources and reserves in 2014 were sourced from near surface oxide discoveries at Mirante, Tap C3, Tap C3N, Gap, MTL and Urucum West.

Ore reserves decreased by 367,000 ounces (-22%) due to the complete removal of previously anticipated iron ore revenue removing 313,000 ounces (-19%) and reduced gold price assumptions from US$1,200 to US$1,050, depletion by mill feed of 171,000 ounces (-10%) and additions of 117,000 ounces (+7%).

The new Tucano ore reserve includes a robust 6-year open pit mine plan at significantly increased margins due to the reduced open pit strip ratio from 12.7:1 to 7.5:1, a 41% improvement and increased grade from 1.58 g/t to 1.77 g/t, a 12% improvement.

Directors' report

The Urucum open pit has been optimised shallower to allow previously reported deeper open pit reserves, now excluded, to be accessed from underground. These reserves will be reinstated as underground reserves subject to the pending Urucum Underground prefeasibility study.

Duckhead Main Lode and Hangingwall Lode current ore reserve is 0.14 million tonnes @ 6.80 g/t gold for 31,000 ounces.

In the six months ended 30 June 2015, 57,474 m of drilling was completed comprising 40,538 m of grade control RC drilling, 13,895 m of exploration and resource delineation drilling and a total of 3,041 m of diamond drilling. Highlights included results from the Urucum underground target where ongoing diamond drilling continues to intersect highly encouraging results of up to 23 m @ 4.92 g/t gold, including 5 m @ 20.32 g/t gold.

At the Duckhead Mine Corridor, exploration auger drilling has confirmed a significant shallow oxide gold discovery at Gold Nose located 1 km southeast of the Duckhead open pit with auger results of up to 12.0 m @ 16.87 g/t gold including 7.0 m @ 27.1 g/t gold.

Duckhead Mine Corridor

Resource extension drilling of the Duckhead Main Lode as well as exploration of the Duckhead Near Mine area continued during the period.

In the March quarter, a significant new drill result was received from the Gold Nose prospect of 9.0 m @ 6.2 g/t gold from 5.5 m including 5.5 m @ 10.1 g/t gold in FDVM153. The result is located on the very eastern end of the 400 m long Gold Nose anomaly located 1 km southeast of the Duckhead open pit. The new result is located within in-situ oxide saprolite material below 5.5 m of barren colluvium overburden and remains untested at depth and along strike.

Resource extension and step out RC drilling was completed on the Main Lode below the open pit limits. Results up to 19.0 m @ 16.8 g/t gold including 5.0 m @ 57.4 g/t from 36.0 m in FVM520 highlight the strong continuity of the very high grade core of mineralisation and will form part of the Stage 3 open pit cutback at Duckhead. Other significant results include 9.0 m @ 6.7 g/t gold from 49.0 m including 2.0 m @ 23.5 g/t gold in FVM524 and 5.0 m @ 6.0 g/t gold from 49.0 m including 2.0 m @ 11.6 g/t gold.

A small first pass program of RC drilling was completed at Goosebumps with a best result of 1.0 m @ 9.4 g/t gold from 8 m in FVM542.

In the June quarter, exploration auger drilling at the southeast edge of the Duckhead Mine Corridor has confirmed the Gold Nose discovery 1 km southeast of the Duckhead open pit with auger drilling intersecting up to 12 m @ 16.87 g/t gold from 2 m to bottom of hole (BOH) including 7 m @ 27.10 g/t gold, including 2 m @ 75.33 g/t gold in T06740. This auger hole T06740 was drilled 13.5 m south of the original diamond drill hole that intersected 9 m @ 6.2 g/t gold from 5.5 m including 5.5 m @ 10.1 g/t gold in FDVM153.

Follow up diamond drilling has commenced; however, the program has been temporarily halted due to third party permitting delays at Duckhead.

The mineralisation intersected at Gold Nose suggests a possible stacked lode system in the apex of the regional fold nose and shows some similarities to the Duckhead deposit, being very high grade and hosted in completely oxidised saprolitic clay adjacent to a major lithological boundary. To date gold mineralisation at Gold Nose has only been intersected in the near surface and remains completely open below the shallow auger drill results.

Urucum Underground

Surface diamond drilling targeting Urucum Underground accelerated in the March quarter with three diamond rigs on double shift. Results from several new drill holes have been received. New results received included FD1397 – Lode 1 5.5 m @ 12.0 g/t gold including 1.7 m @ 35.2 g/t gold and 1.0 m @ 78.9 g/t gold, Lode 2 12.0 m @ 3.3 g/t gold including 3.0 m @ 6.7 g/t.

The diamond drilling is targeting the Urucum North part of the 3.0 million ounces Urucum deposit where deeper wide spaced drilling to date has defined a large resource below the yet to be mined Urucum North open pit. Optimisation studies to determine the depth of the open pit / underground cross over position resulted in the Urucum North open pit being shallowed and overall reserves temporarily reduced while the Urucum prefeasibility drilling and study is completed. The Urucum Pre-Feasibility Study ("PFS") drilling has been extended and will be completed in the June Quarter, with results of the PFS to be completed and released at the end of 2015.

The Urucum Underground drilling is focussed on two continuous subparallel lodes at Urucum North named Lode 1 and Lode 2. Both lodes form sub-vertical ore shoots in excess of 800 m strike bounded by cross cutting pegmatite intrusions to the north and south. Lode 1 and Lode 2 form two subparallel shear zones separated by approximately 10-20 m. Another parallel footwall zone named Lode 11 has also been intersected in the drilling.

Directors' report

Diamond drilling with three rigs continued to delineate the Urucum Underground target defining a shallow plunging high grade shoot on Lode 1 with results of up to 23 m @ 4.92 g/t gold including 5 m @ 20.32 g/t gold and 12 m @ 4.81 g/t gold including 7 m @ 6.7 g/t gold.

Exploration

Tucano Regional

Surface sampling and mapping has defined a camp scale soil geochemical anomaly in excess of 3 km long by 500 m wide at the Mutum prospect located 15 km east of Tucano. The soil sampling was done on a nominal 400 m x 40 m spacing with a peak result of 147.1 ppb gold.

The Mutum prospect is located in a previously unexplored part of the Tucano greenstone belt and contains a similar geological setting to the 5.4 million ounces Tucano gold deposit. The eastern part of the Mutum prospect area has co-incident rock chip results from outcropping gossan in Banded Iron Formation up to 7.2 g/t gold. The eastern soil anomaly at this location is approximately 1 km long.

The size and tenor of the Mutum soil geochemical anomaly is considered to be potentially representative of a significant mineralised system and follow up first pass auger drilling followed by maiden RC and diamond drilling is being planned for the second half.

Tartaruga

The Tartaruga project is located 120 km northeast of Tucano. No work was completed during the period.

Western Australia

Exploration in Australia is focussed on the highly prospective Albany - Fraser belt where an early stage tenement package has been accumulated.

Tropicana East Project

No work was completed during the period.

Zanthus Project (100%)

No work was completed during the period. Tenement holdings have been relinquished.

Balladonia Project (100%)

No work was completed during the period. Tenement holdings have been relinquished.

Corporate

Gold Sales

Gold sales for the half year totalled 53,986 ounces at an average cash price received of US$1,206 per ounce.

Cash & Bullion

Cash and bullion as at 30 June 2015 totalled $22.4 million (bullion valued at A$1.00 = US$0.77 and US$1,173 per ounce). This balance includes an amount paid to the Company for the assigned machinery lease facility relating to the mining fleet sold to MACA Ltd and will be repaid over time totalling ~$15 million.

Bank Finance

On 21 January 2015, the Company announced that the US$60 million Bridge Loan with Santander was restructured into an unhedged 3-year Facility with Banco Santander and Banco Itaú. The Facility is secured by the Company's Tucano Mining Concession and is repayable in 12 equal quarterly instalments commencing on 15 April 2015. Interest payments of USD LIBOR + 3% per annum on the outstanding balance are payable quarterly.

During the second quarter 2015, the Company paid the first instalment and repaid other additional credit facilities totalling US$7 million.

Maiden Dividend

On 16 April, the Company paid a maiden unfranked dividend of 1 cent per share payable in Australian dollars. The record date for receiving the dividend was 31 March 2015.

Impairment

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

Directors' report

Subsequent events

Subsequent to the end of the period, the Group drew down a US$6 million facility with Banco do Brasil. The facility is unsecured and repayable in July 2016. The Interest rate applicable is 3.6% per annum. The Group is currently holding R$12 million of the proceeds of the drawdown in a term deposit accruing interest at a rate of 14% per annum.

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

Lead auditor's independence declaration

The Lead auditor's independence declaration is set out on page 24 and forms part of the directors' report for the six months ended 30 June 2015.

Rounding off

The Company is of a kind referred to in ASIC Class Order 98/100 dated 10 July 1998 and in accordance with that Class Order, amounts in the financial report and directors' report have been rounded off to the nearest thousand dollars, unless otherwise stated.

This report is made with a resolution of the directors:

Pete R. Bowler

PETER BOWLER

Managing Director

Dated at Perth, this 28th day of August 2015

Competent Persons Statement

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

The information in this report relating to Open Pit Ore Reserves is based on information compiled by Mr Sjoerd Rein Duim who is a member of the Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the styles of mineralisation and type of deposit under consideration and to the activity which he is undertaking to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Duim is a consultant who is employed by SRK Consulting and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Duim is responsible for the Tucano pit optimisations for Tap AB, Tap C and Urucum and final reporting of the pit design inventories for Tap AB, TapC, Urucum and Duckhead.

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

The information is extracted from the reports entitled "Annual Mineral Resource and Ore Reserve Update" created on 7 April 2015, "Regional Exploration Update" created on 10 June 2015 and "Urucum Underground Update" created on 16 June 2015 and are available to view on www.beadellresources.com.au. The Company confirms that it is not aware of any new information or data that materially affects the information included in the original market announcement and, in the case of estimates of Mineral Resources or Ore Reserves, that all material assumptions and technical parameters underpinning the estimates in the relevant market announcement continue to apply and have not materially changed. The Company confirms that the form and context in which the Competent Person's findings are presented have not been materially modified from the original market announcement.

Condensed Consolidated Interim Financial Statements

Condensed consolidated interim statement of financial position

As at 30 June 2015

	Note	Jun 2015 $'000	Dec 2014 $'000
Assets			
Cash and cash equivalents		10,982	13,398
Restricted cash		7,383	28,241
Gold bullion awaiting settlement		2,870	19,729
Prepayments		868	4,138
Trade and other receivables	*5*	15,211	29,394
Inventories	*6*	67,056	61,330
Total current assets		**104,370**	**156,230**
Restricted cash		-	10,338
Trade and other receivables	*5*	93	17,026
Exploration and evaluation assets		1,023	1,111
Mineral properties		22,400	17,995
Property, plant and equipment	*7*	145,384	163,402
Deferred tax assets		20,050	20,320
Total non-current assets		**188,950**	**230,192**
Total assets		**293,320**	**386,422**
Liabilities			
Trade and other payables		28,190	31,628
Employee benefits		3,550	5,542
Borrowings	*8*	41,053	97,278
Provisions		1,489	2,738
Current tax liability		323	-
Total current liabilities		**74,605**	**137,186**
Employee benefits		259	196
Borrowings	*8*	46,205	20,960
Provisions		8,172	6,241
Total non-current liabilities		**54,636**	**27,397**
Total liabilities		**129,241**	**164,583**
Net assets		**164,079**	**221,839**
Equity			
Share capital		206,585	206,585
Reserves		(21,678)	(2,240)
Accumulated profits/(losses)		(20,828)	17,494
Total equity		**164,079**	**221,839**

The notes on pages 15 to 20 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Financial Statements

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

For the six months ended 30 June 2015

	Note	Jun 2015 $'000	Jun 2014 $'000
Revenue		83,294	110,588
Cost of sales		(80,091)	(75,960)
Gross profit		**3,203**	**34,628**
Other income		292	348
Administrative expenses		(9,256)	(6,011)
Project exploration and evaluation expenses		(397)	(4,225)
Impairment losses	*5,6,7*	(15,972)	(1,113)
Other expenses		(55)	-
Results from operating activities		**(22,185)**	**23,627**
Finance income		909	4,795
Finance expense		(12,146)	(9,835)
Net finance (expense)		**(11,237)**	**(5,040)**
Profit/(Loss) for the period before income tax		**(33,422)**	**18,587**
Income tax (expense)/benefit		3,087	(3,535)
Profit/(Loss) for the period after income tax		**(30,335)**	**15,052**
Other comprehensive profit/(loss)			
Items that may be reclassified subsequently to profit or loss			
Cash flow hedges transferred to profit or loss		-	(17,323)
Foreign currency translation differences for foreign operations		(17,958)	930
Other comprehensive profit/(loss) for the period net of tax		**(17,958)**	**(16,393)**
Total comprehensive profit/(loss) for the year		**(48,293)**	**(1,341)**
Earning per share:			
Basic earnings per share ($)		(0.04)	0.02
Diluted earnings per share ($)		(0.04)	0.02

The notes on pages 15 to 20 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Financial Statements

Condensed consolidated interim statement of changes in equity

For the six months ended 30 June 2015

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

The notes on pages 15 to 20 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Financial Statements

Condensed consolidated interim statement of changes in equity

For the six months ended 30 June 2014

	Note	Share capital $'000	Translation reserve $'000	Share based payments reserve $'000	Option premium reserve $'000	Hedging reserve $'000	Tax reserve $'000	Accumulated profits/(losses) $'000	Total equity $'000
Balance at 1 January 2014		205,087	(17,735)	11,935	3	27,966	6,599	3,961	237,816
Total comprehensive income for the period									
Profit for the period		-	-	-	-	-	-	15,052	15,052
Other comprehensive income									
Foreign currency translation differences		-	930	-	-	-	-	-	930
Transfer to profit/(loss)		-	-	-	-	(17,323)	-	-	(17,323)
Total other comprehensive income		**-**	**930**	**-**	**-**	**(17,323)**	**-**	**-**	**(16,393)**
Total comprehensive income for the period		**-**	**930**	**-**	**-**	**(17,323)**	**-**	**15,052**	**(1,341)**
Transactions with owners recorded directly in equity									
Contributions by and distributions to owners									
Issue of ordinary shares		1,509	-	-	-	-	-	-	1,509
Equity transaction costs		(9)	-	-	-	-	-	-	(9)
Share based payments		-	-	716	-	-	-	-	716
Transfer to tax reserve		-	-	-	-	-	1,651	-	1,651
Total contributions by and distributions to owners		**1,500**	**-**	**716**	**-**	**-**	**1,651**	**-**	**3,867**
Balance as at 30 June 2014		**206,587**	**(16,805)**	**12,651**	**3**	**10,643**	**8,250**	**19,013**	**240,342**

The notes on pages 15 to 20 are an integral part of these condensed consolidated interim financial statements.

Condensed Consolidated Interim Financial Statements

Condensed consolidated interim statement of cash flows

For the six months ended 30 June 2015

	Jun 2015 $'000	Jun 2014 $'000
Cash flow from operating activities		
Profit/(Loss) for the period	(30,335)	15,052
Adjustments for:		
Release of effective portion of cash flow hedges to revenue	-	(20,585)
Depreciation	9,775	11,917
Net Impairment losses	15,972	1,113
Net finance costs	11,237	5,040
Equity-settled share-based payment transactions	(24)	716
Income tax expense/(benefit)	(3,087)	3,535
	3,538	**16,788**
Changes in:		
Inventories	(8,200)	(17,774)
Gold bullion awaiting settlement	16,859	4,345
Trade and other receivables	(1,554)	(3,998)
Prepayments	3,269	2,620
Trade and other payables	(3,438)	8,978
Provisions and employee benefits	(1,249)	1,212
Net cash from operating activities	**9,225**	**12,171**
Cashflow from investing activities		
Interest received	406	28
Payments for property, plant and equipment	(19,083)	(20,695)
Net cash used in investing activities	**(18,677)**	**(20,667)**
Cashflow from financing activities		
Restricted cash held for security	31,196	-
Proceeds from issue of share capital, net of transaction costs	-	1,500
Hedge proceeds	-	28,044
Repayment of loans and borrowings	(13,862)	(6,049)
Interest paid on loans	(1,415)	(2,063)
Dividends paid	(7,987)	-
Net cash from/(used in) financing activities	**7,932**	**21,432**
Net increase in cash and cash equivalents	(1,520)	12,936
Cash and cash equivalents 1 January	13,398	9,813
Effect of exchange rate fluctuations on cash held	(896)	148
Cash and cash equivalents 30 June	**10,982**	**22,897**

The notes on pages 15 to 20 are an integral part of these condensed consolidated interim financial statements.

Notes to the condensed consolidated interim financial statements

1. Reporting entity

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

The condensed consolidated interim financial statements of the Company as at and for the period from 1 January 2015 to 30 June 2015 comprise the Company and its subsidiaries (together referred to as the “Group” and individually as “Group entities”). The nature of the operations and principal activities of the Group are as described in the Directors’ Report.

2. Statement of compliance

The condensed consolidated interim financial report is a general purpose financial report which has been prepared in accordance with AASB 134 *Interim Financial Reporting* and the *Corporations Act 2001*. The condensed consolidated interim financial report does not include all of the information required for a full annual financial report, and should be read in conjunction with the consolidated annual report of the Group as at and for the year ended 31 December 2014.

The condensed consolidated interim financial statements were approved by the Board of Directors on 28 August 2015.

3. Significant accounting policies

The accounting policies applied by the Group in these condensed consolidated interim financial statements are the same as those applied by the Group in its consolidated annual financial report as at and for the year ended 31 December 2014.

Financial Position

The condensed consolidated interim financial statements have been prepared on a going concern basis, which contemplates the continuity of normal business activity and the realisation of assets and the settlement of liabilities in the normal course of business.

The Group held cash on hand and on deposit as at 30 June 2015 of $18,365,000. As at 30 June 2015 the Group has a net working capital surplus, inclusive of provisions, of $29,765,000. For the period ended 30 June 2015 the Group produced a loss after income tax of $30,335,000. Cash outflows from operations and investment activities were $9,452,000.

In July 2015, the Group drew down a US$6 million facility with Banco do Brasil. The facility is unsecured and repayable in July 2016. The interest rate applicable is 3.6% per annum. In addition, the Group has a secured facility with a drawn down balance of $71.6 million (US$50 million), refer to note 8. The facility agreement includes certain standard lending covenants which, if breached, allow the review of the facility by the lenders. Covenants are tested annually at the completion of each financial year. Whilst the Group is forecasting to comply with debt covenants, the outcome depends upon forecast gold production, sales and operating performance.

Should operations not successfully achieve forecasts or forecast gold sales and foreign exchange rates not be achieved, the Group may require covenant relief or additional funding in the form of debt or equity.

Notes to the condensed consolidated interim financial statements

4. Operating segments

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

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

Information about reportable segment profit/(loss)	Brazil $'000	Australia $'000	Total $'000
6 months ended 30 June 2015			
External revenues	83,294	-	83,294
Project finance interest expenses	(1,661)	-	(1,661)
Unrealised foreign exhange gain/(loss)	(8,849)	-	(8,849)
Reversal of/(impairment of) segment assets	(15,932)	-	(15,932)
Depreciation and amortisation	(9,776)	-	(9,776)
Reportable segment profit/(loss) before income tax	(23,423)	(29)	(23,452)
6 months ended 30 June 2014			
External revenues	110,588	-	110,588
Project finance interest expenses	(2,880)	-	(2,880)
Unrealised foreign exhange gain/(loss)	4,768	-	4,768
Reversal of/(impairment of) segment assets	(1,113)	-	(1,113)
Depreciation and amortisation	(11,905)	(12)	(11,917)
Reportable segment profit/(loss) before income tax	32,140	(962)	31,178

Reconciliation of reportable segment profit/(loss)	Jun 2015 $'000	Jun 2014 $'000
Total profit/(loss) for reportable segments	(23,452)	31,178
Unallocated amounts		
- Corporate income	53	371
- Corporate expenses	(10,023)	(12,962)
Consolidated profit/(loss) before tax	(33,422)	18,587

Information about reportable segment assets, liabilities and capital expenditure	Brazil $'000	Australia $'000	Total $'000
June 2015			
Reportable segment assets	274,278	661	274,939
Reportable segment liabilities	112,327	5	112,332
Reportable segment capital expenditure	13,784	-	13,784
December 2014			
Reportable segment assets	352,264	658	352,922
Reportable segment liabilities	138,822	45	138,867
Reportable segment capital expenditure	20,094	-	20,094

Reconciliation of reportable segment assets and liabilities	Jun 2015 $'000	Dec 2014 $'000
Total assets for reportable segments	274,939	352,922
Unallocated amounts		
- Corporate assets	18,381	33,500
Consolidated assets	293,320	386,422
Total liabilities for reportable segments	112,332	138,867
Unallocated amounts		
- Corporate liabilities	16,909	25,716
Consolidated liabilities	129,241	164,583

Notes to the condensed consolidated interim financial statements

Geographical segments

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

	Revenues Jun 2015 $'000	Non-current assets Jun 2015 $'000	Revenues Jun 2014 $'000	Non-current assets Dec 2014 $'000
Australia	-	661	-	581
Brazil	83,294	168,239	110,588	198,953
Unallocated amounts	-	20,050	-	30,658
Balance at the end of the period	83,294	188,950	110,588	230,192

5. Trade and other receivables

	Jun 2015 $'000	Dec 2014 $'000
Other receivables	1,651	33,656
VAT receivable	13,653	12,764
Balance at the end of the period	15,304	46,420
Current	15,211	29,394
Non current	93	17,026
Balance at the end of the period	15,304	46,420

Receivable for iron ore by-product sales

The Group has recognised a $5.6 million provision for impairment loss related to sales of iron ore by-products to Zamin Amapá Mineração Ltda (“Zamin”). The impairment loss has been recognised due to increased uncertainty of Zamin resuming production activities at their Amapá Iron Ore Mine.

6. Inventories

	Jun 2015 $'000	Dec 2014 $'000
Spare parts, raw materials and consumables - at net realisable value	31,680	29,283
Ore stockpiles - at cost	29,052	28,002
Gold in circuit - at cost	5,287	3,212
Gold bullion - at cost	1,037	833
Balance at the end of the period	67,056	61,330

Spare parts, raw materials and consumables

The Group has established a provision for obsolescence related to slow moving consumables of $7 million (2014: $5 million).

Notes to the condensed consolidated interim financial statements

7. Property, plant and equipment

	Jun 2015 $'000	Dec 2014 $'000
Cost		
Opening balance	187,114	222,807
Additions	12,076	28,279
Disposals	(2,191)	(52,470)
Effect of movements in exchange rates	(19,475)	(11,503)
Balance at the end of the period	177,524	187,113
Depreciation		
Opening balance	(23,712)	(15,742)
Depreciation expensed	(7,784)	(24,749)
Impairment loss	(6,712)	-
Disposals	-	14,218
Effect of movements in exchange rates	6,068	2,562
Balance at the end of the period	(32,140)	(23,711)
Carrying amount		
Opening balance	163,402	207,066
Balance at the end of the period	145,384	163,402

Magnetic Separation Plant impairment

The Group has placed its Magnetic Separation Plant ("MSP") on care and maintenance due to Zamin's inability to take or pay for iron ore concentrate previously produced by the MSP following the destruction of the port facility at Santana and the suspension of production activities by Zamin at their Amapá Iron Ore Mine.

As a result of the uncertainty of generating future cash inflows from the MSP's operation, the Group considers the carrying value of the MSP impaired and accordingly has recognised an impairment charge of $6.7 million.

8. Borrowings

	Jun 2015 $'000	Dec 2014 $'000
Unsecured loans	9,671	75,164
Secured loans	77,587	43,074
Balance at the end of the period	87,258	118,238
Current	41,053	97,278
Non current	46,205	20,960
Balance at the end of the period	87,258	118,238

Santander – Itaú Facility

In January 2015 the Group's US$60 million twelve month Santander Facility was syndicated with Itaú and restructured into a three year secured finance facility, repayable in 12 equal quarterly instalments, commencing on 15 April 2015. Interest payments are calculated by applying USD LIBOR plus a 3% per annum margin to the outstanding balance and are also payable quarterly. The facility is secured by a charge over the Tucano mining concession.

The balance of the Santander – Itaú Facility as at 30 June 2015 is $71.6 million (US$50 million).

MACA Facility

The $14.8 million MACA Facility is repayable in instalments commencing September 2015 and ending in June 2017. The MACA Facility is not interest bearing and is secured by $7.2 million in cash that the Group has disclosed as restricted cash in this Financial Report.

Set-Off

The Group has established a Deed of Set-Off (the "Deed") with MACA Limited and its subsidiaries ("MACA"). The Deed gives each party a right to set-off amounts payable to other parties with receivables from other parties to the Deed.

Through operation of the Deed, the Group has a right to set-off an amount receivable of $8.8 million from MACA with an amount payable to MACA under the terms of the MACA Facility. For the purposes of this Financial Report, the Group has set-off the amount receivable from MACA with an amount payable to MACA under the terms of the MACA Facility and accordingly, a net balance payable to MACA in relation to the MACA Facility of $6.0 million has been disclosed as at 30 June 2015.

Unsecured loans

The Group has unsecured loans of $9.7 million payable to MACA Limited as at 30 June 2015. The loans are non-interest bearing.

Macquarie Master Lease Agreement

In January 2015 the Group entered into a Master Lease Transfer Deed, transferring all future rights and releasing all future obligations and liabilities applicable to the Group under the Master Lease Agreement. As the Lease Facility has been novated to MACA it no longer forms part of the Group's borrowings and the Group has derecognised all borrowings related to the Master Lease Agreement.

9. Share-based payments

Share Options

The Group has an established Employee Share Option Plan ("ESOP") under which Share Options can be offered to Key Management Personnel and employees. All Share Options issued under the ESOP are subject to the ESOP terms and conditions as disclosed in the Group's 31 December 2014 annual financial report.

The Group may offer Share Options to other parties that are not employees of the Group. These Share Options are not issued under the ESOP and are either issued with shareholder approval or alternatively issued under ASX Listing Rule 7.1.

Share Options granted during the period

No Share Options were granted during the period.

Forfeiture of unissued shares

During the period, 600,000 Share Options were forfeited at an exercise price of $0.85 as a result of failure to meet vesting conditions.

Expiration of unissued shares

During the period, 500,000 Share Options at an exercise price of $0.80, 650,000 Share Options at an exercise price of $0.85 and 850,000 Share Options exercisable at $1.15 were not exercised and expired in accordance with their terms.

Performance Rights

The Group has an established Performance Rights Plan ("PRP") under which Performance Rights may be offered to Key Management Personnel and employees. All Performance Rights issued under the PRP are subject to the PRP terms and conditions as disclosed in the Group's 31 December 2014 annual financial report.

Performance Rights granted during the period

3,664,238 Performance Rights were granted to Key Management Personnel on 20 May 2015. In order for any of the Performance Rights to vest, the Group's Total Shareholder Return ("TSR") must be positive and at or above the 50th percentile of a comparator group of companies TSR's over a performance period from 1 January 2015 to 31 December 2017. Following assessment of the Group's TSR against the comparator group on 31 December 2017 ("Test Date"), the awarded Performance Rights, if any, will vest on the Test Date. TSR measures the growth for a financial year in the price of shares plus cash distributions notionally reinvested in shares.

The grant date fair value of the Performance Rights was measured using the Monte Carlo pricing model. The weighted average inputs to the model used to determine the fair value of rights granted during the period were:

Contractual life (years)	2.62
Market value of the underlying shares	$0.235
Performance period (years)	3.00
Expected volatility of the underlying shares	76.40%
Risk free rate applied	2.095%
Fair value per right at grant date	$0.169

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

10. Subsequent events

Subsequent to the end of the period, the Group drew down a US$6 million facility with Banco do Brasil. The facility is unsecured and repayable in July 2016. The Interest rate applicable is 3.6% per annum. The Group is currently holding R$12 million of the proceeds of the drawdown in a term deposit accruing interest at a rate of 14% per annum.

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

Directors' declaration

1. In the opinion of the directors of Beadell Resources Limited ("the Company"):

   (a) the condensed consolidated interim financial statements and notes 1 to 10 that are contained within are in accordance with the Corporations Act 2001, including:

      (i) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the half year ended on that date; and

      (ii) complying with Australian Accounting Standard AASB 134 "Interim Financial Reporting" and the Corporations Regulations 2001; and

   (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of the directors:

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PETER BOWLER

Managing Director

Dated at Perth, this 28th day of August 2015.

Independent auditor's report

KPMG

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

Report on the financial report

We have reviewed the accompanying interim financial report of Beadell Resources Limited, which comprises the condensed consolidated interim statement of financial position as at 30 June 2015, condensed consolidated interim statement of profit or loss and other comprehensive income, condensed consolidated interim statement of changes in equity and condensed consolidated interim statement of cash flows for the half-year ended on that date, notes 1 to 10 comprising a summary of significant accounting policies and other explanatory information and the directors' declaration of the Group comprising the company and the entities it controlled at the half-year's end or from time to time during the half-year.

Directors' responsibility for the interim financial report

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

Auditor's responsibility

Our responsibility is to express a conclusion on the interim financial report based on our review. We conducted our review in accordance with Auditing Standard on Review Engagements ASRE 2410 *Review of a Financial Report Performed by the Independent Auditor of the Entity,* in order to state whether, on the basis of the procedures described, we have become aware of any matter that makes us believe that the interim financial report is not in accordance with the *Corporations Act 2001* including: giving a true and fair view of the Group's financial position as at 30 June 2015 and its performance for the half-year ended on that date; and complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*. As auditor of Beadell Resources Limited, ASRE 2410 requires that we comply with the ethical requirements relevant to the audit of the annual financial report.

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

Independence

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

Independent auditor's report

Conclusion

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

(a) giving a true and fair view of the Group's financial position as at 30 June 2015 and of its performance for the half-year ended on that date; and

(b) complying with Australian Accounting Standard AASB 134 *Interim Financial Reporting* and the *Corporations Regulations 2001*.

KPMG

KPMG

Trevor Hart
Partner

Perth

28 August 2015

Auditor’s independence declaration

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

To: the directors of Beadell Resources Limited

I declare that, to the best of my knowledge and belief, in relation to the review for the half-year ended 30 June 2015 there have been:

(i) no contraventions of the auditor independence requirements as set out in the Corporations Act 2001 in relation to the review; and

(ii) no contraventions of any applicable code of professional conduct in relation to the review.

KPMG

KPMG

Trevor Hart
Partner

Perth

28 August 2015