



ASX ANNOUNCEMENT  
ASX Code: **BDR**

2 September 2015

## **OPERATIONAL UPDATE**

Beadell Resources Limited (“**Beadell**” or “the **Company**”) is pleased to give an update on various operational developments.

### **Duckhead Mining Commencing**

The high grade Duckhead Stage 3 cutback will now commence following receipt of the necessary approvals. This will contribute and add ~20,000 low cost ounces at 28.7 g/t gold to Beadell’s production profile in the first quarter of CY2016.

### **Second Half 2015 Guidance**

In line with previous guidance, as a result of the 20,000 ounces from Duckhead being deferred to the first quarter of CY2016, second half 2015 gold sales of **65,000 – 80,000 ounces** and AISC between **US\$850 – US\$950 per ounce** are expected. This will enable cash reserves to be built up as the half year progresses. Ore and waste movement are currently at budgeted levels.

### **Urucum Underground Pre-Feasibility Study**

New results have been received from drilling at Urucum underground, including the highest grade intercept yet recorded there of **15.45 m @ 17.19 g/t gold**, including **4.27 m @ 55.97 g/t gold** in FD1417 (see Table 1, Appendix 1). This result is particularly important as it confirms the continuity of the high grade Central Lode 1 ore shoot, which has now been defined over approximately a 400 m strike length. Re-modelling of the Urucum underground resource has commenced and will to be completed during the current quarter.

External consulting company AMC Consultants have been appointed to undertake the pre-feasibility study which will be completed by the end of 2015. Assuming a successful outcome for this study, the project will proceed directly to a definitive feasibility study during the first quarter of CY2016 then followed by consideration by the Board of a decision to proceed with the development of the Urucum underground project.

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## Future Production Profile

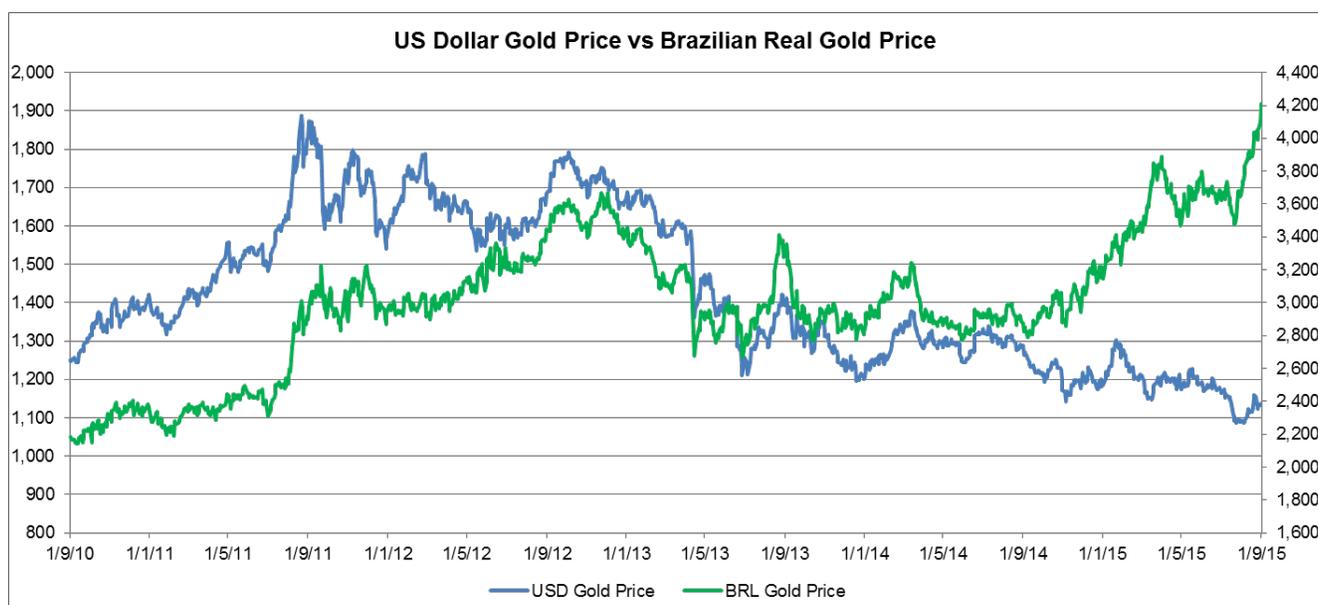
Currently, between 10% and 20% of the crusher feed is primary rock with oxide material comprising the balance. Minor modifications are being contemplated to increase the primary feed toward 30% within the next 12 months, being the optimal primary/oxide blend for the current mining schedule. In the meantime, significant additional oxide tonnages are being added to the mine plan from recent discoveries in the Urucum and Tap AB areas.

A primary rock trial was recently conducted by SRK Consulting. The results of this trial will determine the timing of any additional crushing or grinding capital required to maintain throughput rates satisfactory to achieve annualised gold production of ~160,000 ounces for the 7-year open pit Life of Mine. It is anticipated that any capital upgrades will, in the first instance, be minor, with the possible addition of a mobile crusher.

With the completion of the latest tailings storage facility, the operation now has storage capacity for the next four years. This will significantly reduce capital expenditure over the ensuing years.

## Brazilian Real Movements

In the period between the release of the Company's June 2015 Quarterly report on 31 July 2015 and 1 September 2015, the Brazilian Real has weakened against the US Dollar by **8%** compared with the Australian Dollar that has weakened **2%** against the US Dollar over the same period. On a year-to-date basis, the Brazilian Real has depreciated 29% while the Australian Dollar has depreciated 14%. On 1 September 2015, the Brazilian gold price was BRL\$4,209.23 per ounce, an all-time record BRL gold price.



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## Competent Persons Statement

The information in this report relating to Exploration Results and Mineral Resources and Ore Reserves is based on information compiled by Mr Robert Watkins 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 Watkins is a full time employee of Beadell Resources Limited. Mr Watkins consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

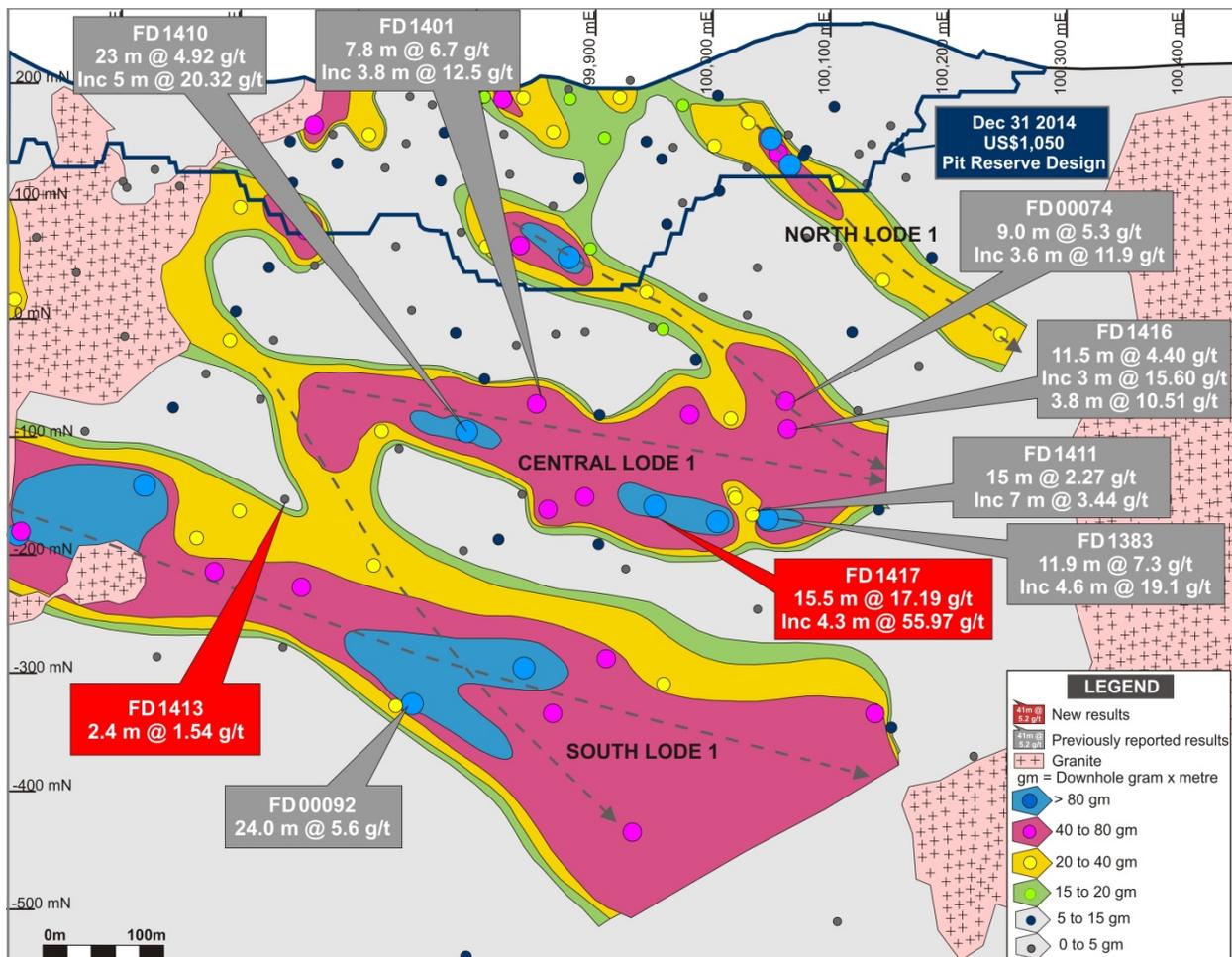
**Table 1**  
**Urucum Underground Diamond Drill Results**

Target	Hole	North	East	RL	Dip	Az	From (m)	To (m)	Width (m)	Gold (g/t)
Urucum	FD1413	99586	402097	184	-73.48	303	247	249	2	1.01
							357.6	360	2.4	1.54
Urucum	FD1417	100020	402091	227	-71.98	231	256	259	3	0.95
							266	268	2	0.73
							304.67	313	8.33	1.03
							344	347	3	0.73
							350	361	11	0.75
							405.2	420.65	15.45	17.19
							Inc 406.73	411	4.27	55.97

All intercepts are reported using a 0.5 g/t gold lower cut off and no greater than 2 m internal dilution.

## Appendix 1

### Urucum Lode 1 Longsection



## Section 1 Sampling Techniques and Data

(Criteria in this section apply to all succeeding sections.)

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc.). These examples should not be taken as limiting the broad meaning of sampling.</i>	For RC drilling the entire 1m RC samples were obtained and split by an adjustable cone splitter attached to the base of the cyclone (1.5kg – 6.0kg) and were utilised for both lithology logging and assaying. For diamond core, half core is measured, logged and then cut, crushed and pulverised at the Tucano site sample preparation laboratory.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	Samples are split into single meter intervals. Certified standards were inserted every 25th sample and to assess the accuracy and methodology of the external laboratories. Field duplicates were inserted every 20th sample to assess the repeatability and variability of the gold mineralisation. Laboratory duplicates were also completed approximately every 20th sample to assess the precision of the laboratory as well as the repeatability and variability of the gold mineralisation. A blank standard was inserted at the start of every batch. Results of the QAQC sampling were assessed on a batch by batch basis and were considered acceptable.
	<i>Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.</i>	1m RC samples were obtained by an adjustable cone splitter attached to the base of the cyclone (1.5kg – 6.0kg) and were utilised for both lithology logging and assaying. At the mine exploration sample preparation facility, core samples are dried at 105C, crushed to -8mm then to -2mm and split to 0.9-1kg before being pulverised to 1mm. This sample is quartered cut to between 200-400g before being pulverised to 95% passing 105µm. The final pulp is quartered again to achieve a sample of 100 - 200g and is sent to SGS laboratories in Belo Horizonte for fire assay. At the mine exploration sample preparation facility, the RC 1m samples are dried at 140C, crushed to -2mm (if aggregated) and riffle split to 1kg. The 1 kg sample is then pulverised to 1mm and quarter cut to between 200 and 400g. This sample is then pulverised to 95% passing 105µm and quarter cut to a 100-200g sample to send to SGS. Any duplicates samples of the same interval are also sent to ACME laboratories for analysis. Samples from the Lookout Lode were assayed at the onsite chemical Laboratory.
Drilling techniques	<i>Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc.) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc.).</i>	A 5.5" diameter face sampling hammer was used for RC drilling. For diamond drilling NQ size core is produced.
Drill sample recovery	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	RC recovery was visually assessed, with recovery being excellent except in some wet intervals at the water table. The majority of mineralised intersection results received occurred above the water table. All core is orientated and measured for recovery

	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	RC samples were visually checked for recovery, moisture and contamination. The drilling contractor utilised a cyclone and cone splitter to provide uniform sample size. The cone splitter was cleaned at the end of every 3m rod and the cyclone cleaned at the completion of every hole.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential</i>	Sample recoveries for RC holes were high within the mineralised zones. No significant bias is expected.
Logging	<i>Whether core and chip samples have been geologically and geotechnically logged to a level of detail to support appropriate Mineral Resource estimation, mining studies and metallurgical studies.</i>	Lithology, alteration, veining, mineralisation and weathering were logged from the RC chips and stored in Datashed. Chips from selected holes were also placed in chip trays and stored in a designated building at site for future reference.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	All logging is qualitative except for density and recovery. All core photography has been completed shortly after being received at the core yard and always prior to cutting.
	<i>The total length and percentage of the relevant intersections logged.</i>	All drill holes are logged in full.
Sub-sampling techniques and sample preparation	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Core holes and half core sampled from cut core.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	The RC drilling utilised a cyclone and cone splitter to produce samples in the 1kg to 6kg range. Once collected the sample is dried, crushed to -2mm and split at the site sample preparation lab down to approximately 1kg prior to pulverisation.
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	The 1 kg sample is then pulverised to 1mm and quarter cut to between 200 and 400g. This sample is then pulverised to 95% passing 105µm and quarter cut to a 100-200g sample to send to SGS or to the mine chemical lab for analysis.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	Certified standards and blanks were inserted every 25th sample to assess the accuracy and methodology of the external laboratory (SGS), and field duplicates were inserted every 20th sample to assess the repeatability and variability of the gold mineralisation. At Tucano field duplicates were taken for diamond core but not for RC. Laboratory duplicates (sample preparation split) were completed every 20th sample to assess the precision of the laboratory as well as the repeatability and variability of the gold mineralisation. Duplicate samples were also sent to a different lab (ACME Laboratories) for analysis.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	The results of the field duplicates show an acceptable level of repeatability.  Reconciliation data from mining at Tucano indicates that the sampling and estimation is representative.
	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	Sample sizes (1kg to 6kg) are considered to be a sufficient size to accurately represent the gold mineralisation based on the mineralisation style, the width and continuity of the intersections, the sampling methodology.  Field duplicates of diamond core have routinely been collected to ensure monitoring of the sub-sampling quality. Acceptable precision and accuracy is noted in the field duplicates albeit the precision is marginally acceptable and

		consistent with a course gold deposit.
<i>Quality of assay data and laboratory tests</i>	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	All resource or exploration holes (prefix FD or F) gold assaying completed by external certified laboratories (SGS in Belo Horizonte and ACME laboratories) and using a 30g charge for fire assay analysis with an AAS finish. This technique is industry standard for gold and considered appropriate. All grade control hole (prefix GCRC) gold assaying completed at the non-certified Tucano mine site chemical laboratory using similar fire assay analysis. Selected Screen fire analysis was performed on selected intervals where coarse gold was observed.
	<i>For geophysical tools, spectrometers, handheld XRF instruments, etc., the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.</i>	Geophysical tools not used.
	<i>Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.</i>	Certified Reference Material (CRM or standards) were inserted every 25th sample to assess the assaying accuracy of the external laboratories. Field duplicates were inserted every 20th sample to assess the repeatability from the field and variability of the gold mineralisation. Laboratory duplicates were also completed approximately every 20th sample to assess the precision of assaying. Evaluation of both the Beadell submitted standards, and the internal laboratory quality control data, indicates assaying to be accurate and without significant drift for significant time periods. Excluding obvious errors, the vast majority of the CRM assaying report shows an overall mean bias of less than 5% with no consistent positive or negative bias noted. Duplicate assaying show high levels of correlation (linear correlation >0.96) and no apparent bias between the duplicate pairs. Field duplicate sample show marginally acceptable levels of correlation (0.89 for the SGS data set, 0.96 for the Ultratrace and MinAnalytical data set but 0.61 for the KalAssay data set) and no relative bias. Each analysis batch (approx. 150 samples) is checked to ensure that the standards fall within the accepted levels of standard deviation. Where any standard exceeds 3 standard deviations or where more than one standard falls between 2 and 3 standard deviations, the entire batch is resubmitted for analysis.
<i>Verification of sampling and assaying</i>	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The high grade intersections of core and RC have been observed by various visiting geological consultants (e.g. Cube consulting).
	<i>The use of twinned holes.</i>	At Urucum underground diamond twin holes have been drilled previously showing what is considered to be normal variations in Orogenic gold mineralisation.
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.</i>	All geological logging information is entered directly into Logchief and synchronised with the Datashed database. Other field data (e.g. sampling sheets, downhole surveys etc.) are entered into excel spreadsheets formatted for Datashed importation. Lab assay reports are directly imported into Datashed along with all QAQC data and metadata. Data importation is done by Maxwell Geoservices staff under contract by Beadell Resources. All data loading procedures have been documented by Maxwell Geoservices.
	<i>Discuss any adjustment to assay</i>	Data below the detection limit is defined with a negative

	<i>data.</i>	value, e.g. <0.01 = -0.01.
<i>Location of data points</i>	<i>Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.</i>	Beadell drill hole collar locations were picked up by site-based authorized surveyors using Total Station Leica 407, calibrated to a base station (expected accuracy of 20mm).  Downhole surveying was measured by the drilling contractors using a Reflex Gyro Downhole Survey Instrument for RC holes. Shallow RC holes were picked up at the collar and 2 points on the rod string using Total Station. Grade control RC holes less than ~50m depth are not down hole surveyed.
	<i>Specification of the grid system used.</i>	The grid system is SAD 69 Zone 22N.
	<i>Quality and adequacy of topographic control.</i>	Beadell Brasil Ltda Survey Staff generated a digital terrain model (DTM) from Total Station surface pickups of the Tucano deposit.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	The maximum nominal drill hole spacing is 5m (E) by 10m (N) for the Tucano RC holes to a nominal 50m x 50m spacing for diamond drilling at Urucum Underground.
	<i>Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.</i>	The data spacing and distribution is sufficient to demonstrate spatial and grade continuity of the mineralised domains to support the definition of Inferred, Indicated and Measured Mineral resources under the 2012 JORC code.
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been applied in the field within the mineralised zones.
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	The majority of drilling is orientated east-west at Tucano with a 60 degree dip, which is roughly perpendicular to both the strike and dip of the mineralisation; therefore ensuring intercepts are close to true-width.
	<i>If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.</i>	Sectional interpretation of 5m spaced holes on 10m spaced lines shows a very uniform mineralised zone both along strike and down dip. The drill orientation is as close to normal to this body as possible and therefore the drill hole to mineralisation is not considered to have introduced a sampling bias.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	Samples are securely sealed and stored onsite, until delivery to Macapa via the company contracted Taxi driver, who then also delivers the samples directly to TAM airlines cargo dispatch facility for delivery to Belo Horizonte. Sample submission forms are sent with the samples as well as emailed to the laboratory, and are used to keep track of the sample batches.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	A site visits was completed in 2012 (Cube Consulting) to review sampling procedures and grade control practices. This visit concluded the sampling to be at an industry standard, and of sufficient quality to carry out a Mineral Resource Estimation.

Section 2 Reporting of Exploration Results  
(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.	The Tucano deposits reside in tenement 851.676/1992, centrally located within the northern state of Amapa, Brazil. The current registered holder of the tenements is Beadell Brasil Ltda.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	Existing mining concession owned 100% by Beadell Resources Ltd.
Exploration done by other parties	Acknowledgment and appraisal of exploration by other parties.	Beadell Brasil Ltda acknowledges the previous operator MPBA for the initial discovery of the deposit.
Geology	Deposit type, geological setting and style of mineralisation.	<p>The Tucano deposits are structurally controlled orogenic lode type gold deposit hosted within a Banded Iron Formation unit in contact with a Clastic quartz biotite schist. The Lodes are characterised by shear parallel disseminated pyrite and pyrrhotite mineral assemblages and generally exhibit a strong oxidation profile in the regolith without any secondary dispersion other than colluvial deposits.</p> <p>The Duckhead deposits are structurally controlled orogenic lode type gold deposit hosted within a Banded Iron Formation unit in contact with a Clastic quartz biotite schist. The Wing Lode and Hangingwall Lodes are characterised by shear parallel disseminated pyrite and pyrrhotite mineral assemblages. The Main Lode is characterised by extremely deep weathering on the BIF and clastic contact.</p>
Drill hole Information	<p>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</p> <ul style="list-style-type: none"> <li>o easting and northing of the drill hole collar</li> <li>o elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</li> <li>o dip and azimuth of the hole</li> <li>o down hole length and interception depth</li> <li>o hole length.</li> </ul>	See Table 1
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	

<i>Data aggregation methods</i>	<i>In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.</i>	In the reporting of exploration results, un-cut grades are reported. The lower cut-off limit is considered to be 0.5g/t for the reporting of drill hole intercepts with no more than 2 m downhole internal dilution. Intercepts are determined using a weighted average over the length of the intercept.
	<i>Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.</i>	In the instance where aggregate intercepts include shorter lengths of higher grade material, the total interval is stated first followed by the word “including”, then a listing of the contained shorter high grade intercepts.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents are used at Tucano.
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	The drilling was designed to intersect the mineralisation at an angle that is roughly perpendicular to the overall trend for both strike and dip. The mineralised intervals are generally much wider than the minimum sample interval of 1m.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	
	<i>If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’).</i>	All drill intersections are stated as down hole lengths. At Urucum true widths are approximately half the down hole width
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	See diagrams in main body of the announcement.
<i>Balanced reporting</i>	<i>Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.</i>	All the significant results greater than 0.5 g/t gold over at least 2m downhole have been reported in Table 1 and Table 2.
<i>Other substantive exploration data</i>	<i>Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.</i>	The Tucano results are from an active mining area where open pit mining is in progress. Reconciliation has been verified by mill metallurgical balance based on models using the same drilling method for results.

Further work	<p><i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i></p> <p><i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i></p>	<p>The Tucano lodes remain open at depth and along strike in most cases and contain numerous outlying intersections that will require follow up drilling. Several diagrams have been included to highlight this aspect.</p>
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