

HIGHLIGHTS

OPERATIONS

- **Gold Production** – Gold production for the March 2017 quarter was 28,558 ounces. Production is expected to be significantly higher in the second half of the year as grade increases at depth in the Tap AB pit complex. Beadell remains on budget and on track to achieve annual production guidance of 140,000 to 150,000 ounces.
- **Costs** – Cash costs for the March 2017 quarter were US\$1,085 per ounce. All-in Sustaining Costs (AISC)* for the March 2017 quarter were US\$1,161 per ounce. Brazilian Real denominated on site costs are generally in line with budget but the strengthening currency has negatively impacted US\$ AISC.
- **Safety** – March 2017 was the first month in the history of Tucano with zero lost time injuries, zero first aid injuries and zero equipment damage.

CORPORATE

- **Gold Sales** – Gold sales for the March 2017 quarter totalled 30,476 ounces at an average cash price received of US\$1,221 per ounce.
- **Cash and Bullion** – Cash and bullion as at 31 March 2017 was A\$55.7 million (as at December 2016 was A\$36.3 million) (bullion valued at AUD/USD = 0.76 and US\$1,249 per ounce).
- **Capital Raising** – On 21 February 2017, the Company announced a capital raising via a \$46 million Placement and a \$4.5 million Share Purchase Plan (SPP) priced \$0.29 per share. The Placement was completed on 28 February 2017 and the SPP on 6 April 2017.
- **Debt reduction** – The Company reduced debt by \$14.2 million in the March 2017 quarter.
- **Outlook** – The Company continues to focus on reducing on-site costs and increasing head grade through near mine exploration. Coupled with planned mill upgrades, the Tucano mine should be fully optimised in mid-2018 with resultant production and costs benefits.

RESERVES AND RESOURCES

- **Ore Reserves** – Total Ore Reserves as at 31 December 2016 were 28.2 million tonnes @ 1.74 g/t gold for 1.58 million ounces. Open Pit Ore Reserves at Tap AB increased substantially in grade and ounces to 8.9 million tonnes @ 1.76 g/t gold for 503,000 ounces. This is an increase of 145,000 ounces (41%) on the 2015 Tap AB Open Pit Ore Reserve or 221,000 ounces (78%) after allowing for depletion of 76,000 ounces. Tap AB Open Pit Reserve grade increased by 21%.
- **Mineral Resources** – Total Mineral Resources as at 31 December 2016 were 67.0 million tonnes @ 1.82 g/t gold for 3.92 million ounces. Mineral resources at Tap AB increased substantially to 22.2 million tonnes @ 2.02 g/t gold for 1,446,000 ounces. This is an increase of 559,000 ounces (63%) on the 2015 Tap AB Mineral Resource or 635,000 ounces (78%) after allowing for 2016 depletion of 76,000 ounces. Tap AB open pit resource grade increased by 16%.

EXPLORATION

- **Tap AB1 Trough Lode** – Deeper drilling on the Tap AB1 Trough Lode has extended the steep north plunge of the mineralisation further down dip intersecting multiple wide zones of oxide gold mineralisation, including 64 m @ 4.29 g/t gold from 150 m.
- **Tap AB1 Central Lode** – The recently discovered Central Lode is favourably located between the Tap AB1 Trough Lode and Tap AB2 Trough Lode. Results received during the quarter include 6 m @ 12.99 g/t gold from 152 m.
- **Tap AB2 Trough Lode** – Resource delineation and extension drilling continued to intersect strong mineralisation along the southern section of the Tap AB2 Trough Lode with results of 20 m @ 9.88 g/t gold from 50 m including 8 m @ 20.27 g/t gold from 50 m. A spectacular result of 20 m @ 27.96 g/t gold from 35 m including 4 m @ 126.83 g/t gold from 38 m was intersected improving grade in that area of the reserve pit.
- **Carbonate Lode** – The Carbonate Lode sits in the middle of the Tap AB complex, within 2 km of the plant. Results from step out drilling include 13 m @ 3.38 g/t gold from 107 m to BOH, 32 m @ 2.05 g/t gold from 70 m, 30 m @ 1.78 g/t gold from 89 m and 15 m @ 1.26 g/t gold from 125 m to BOH.
- **Torres/Tap AB Sul** – Recent exploration work has highlighted the emerging potential of the > 1km long Torres/Tap AB Sul trend, especially the eastern contact of the main BIF that also hosts the high-grade Tap AB1 and Tap AB2 gold oxide trough zones immediately to the north. New results from Torres have extended the strike length of the gold mineralised corridor another 400 m to the south of earlier results.

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

OPERATIONS

TUCANO GOLD MINE (100%)

Production Summary	Unit	Mar 2017 Quarter	Mar 2016 Quarter	%
Total Waste Moved*	tonne	2,709,503	5,213,726	-48%
Gold Ore Mined	tonne	621,736	599,612	4%
Total Material Moved	tonne	3,331,239	5,813,338	-43%
Gold Ore Milled	tonne	862,538	995,207	-13%
Head Grade	g/t	1.16	1.12	4%
Plant Recovery	%	88.8%	89.6%	-1%
Total Gold Recovered	ounce	28,558	32,074	-11%
Total Gold Sold	ounce	30,476	33,815	-10%

* Waste mined plus iron ore mined.

Cash Costs and All-In Sustaining Costs	Unit	Mar 2017 Quarter	Mar 2016 Quarter	%
On-Site Production Costs	US\$/ounce	1,024	680	51%
On-Site G&A Costs	US\$/ounce	61	41	49%
Cash Costs	US\$/ounce	1,085	721	51%
Royalties	US\$/ounce	24	24	0%
On-Site Corporate Costs	US\$/ounce	30	13	131%
Exploration Costs (Sustaining)	US\$/ounce	0	28	-
Capitalised Stripping Costs (Sustaining)	US\$/ounce	0	113	-
Capital Expenditure (Sustaining)	US\$/ounce	22	3	633%
All-In Sustaining Costs*	US\$/ounce	1,161	902	29%

* AISC has been calculated in accordance with the World Gold Council's Guidance Note on Non-GAAP metrics released 27 June 2013 and in accordance with this Guidance Note, gold ounces sold are used as the denominator in the cost per ounce calculations. Production costs are inclusive of the effects of ore stockpile and GIC inventory movements.

Production

Gold recovered in the March 2017 quarter totalled 28,558 ounces, a decrease of 11% over the March 2016 quarter.

Costs

Total AISC per ounce for the quarter has been negatively impacted by the strengthening Brazilian Real. The actual average Real/USD exchange rate for the quarter was 8% stronger than the annual consensus rate used in the annual cost guidance and 20% stronger than in the corresponding period last year.

Pleasingly, Brazilian Real operating costs were broadly in line with budget for the first quarter.

A lower strip ratio in the March 2017 Quarter has resulted in no capitalisation of stripping cost producing higher cash costs than budgeted.

The Company has incurred additional Sustaining Capital Expenditure this quarter associated with acquisition of critical spares, machine refurbishment and construction of new site buildings.

The ability of the Company to meet its annual cost guidance will continue to be effected by the Brazilian Real/USD exchange rate for the remainder of 2017.

Mining

In the March 2017 quarter, 621,736 tonnes of gold ore were mined, an increase of 4% over March 2016 quarter. Total material movement was 3,331,239 tonnes, a decrease of 43% over the March 2016 quarter. This was due to mining being confined to the south of the Tap AB complex with a lower required strip ratio resulting in less material mined compared to the same period last year. The total moved tonnes were also lower than planned due to availability issues with the mining fleet and lower production in Tap AB1 where the establishment of a new sheeted haul road access to the top of Monkey Hill was completed in February.

The deforestation permit for the Tap AB phase 3 Monkey Hill cut back was received slightly later than planned and access to start the pre-strip was not established until the end of February.

Availability and production improved in March and is trending towards budgeted levels.

Processing

During the March quarter, the CIL plant throughput was 862,538 tonnes, a 13% decrease over the March 2016 quarter, and the process plant recovery for the period was 88.8%. The mill feed grade was 1.16 g/t gold, 4% higher than the same period last year.

The processing plant has operated on plan for the quarter and has processed approximately 8,000 tonnes more ore than planned.

A feasibility study on plant upgrades has been expanded to include the addition of an oxygen plant and results of this study are expected shortly. The planned upgrades to the plant include the addition of a ball mill, pre-leach thickener, an additional CIL tank and an oxygen plant. The upgrades will allow the Tucano operation to be fully optimised for all ore types for the first time in its life.

Total high grade and low grade gold ore stockpile ounces at the end of March 2017 decreased by 8% to 4.0 million tonnes @ 0.7 g/t gold for 84,000 ounces, whilst marginal stockpiles of 1.5 million tonnes @ 0.43 g/t gold for 21,000 ounces remained static. The decrease was due to a higher drawdown on spent ore and historic stockpiles whilst mine production focussed on pre-strip at the top of Tap AB1 Monkey Hill to access high grade oxide ore on Tap AB1 Trough Lode.

CORPORATE & FINANCE

Gold Sales

Gold sales for the March 2017 quarter totalled 30,476 ounces at an average cash price received of US\$1,221 per ounce.

Cash & Bullion

Cash and Bullion – Cash and bullion as at 31 March 2017 was A\$55.7 million (as at December 2016 was A\$36.3 million) (bullion valued at AUD/USD = 0.76 and US\$1,249 per ounce).

Debt

The Company made total debt repayments of approximately A\$14.2 million during the quarter, comprising;

- A scheduled quarterly bank debt repayment of US\$5 million to Santander – Itaú, plus
- A\$7.6 million debt repayment to MACA Limited.

Capital and Exploration Expenditure

Non-sustaining capital expenditure for the March 2017 quarter was \$1.9 million, which was largely associated with construction of long term tailings storage facilities.

Non-sustaining exploration expenditure for the March 2017 quarter was A\$2.3 million.

Capital Raising

On 21 February 2017, the Company announced it had received commitments to raise approximately \$46 million through the placement of approximately 159 million fully paid ordinary shares to domestic and international institutional and sophisticated investors (Placement).

In addition to the Placement, the Company offered eligible shareholders the opportunity to participate in a Share Purchase Plan (SPP) to raise up to a further \$5 million at \$0.29 per share, the same price as the Placement.

The Placement shares were issued on 28 February 2017 and the SPP shares on 6 April 2017.

Consolidation of Tucano Land Package

The Company entered into a binding arrangement to consolidate the Tucano land package. Under an agreement signed on 6 April 2017, Beadell will acquire the issued capital of Mineração Vale dos Reis Ltda (MVR) for cash payments totalling US\$1.8 million and the granting of a small royalty. MVR is a Brazilian company that currently holds 30% of the MVR Joint Venture (JV). Beadell holds the remaining 70% of the JV.

The JV tenements cover 576 km² of highly prospective ground surrounding the Tucano Gold Mine and include several high priority early stage gold targets within 20 km of the Tucano plant, which are planned to be advanced through to drilling over the course of 2017. Key targets include the 6 km long x 400 m wide Serra da Canga colluvium anomaly located 5 km north of Urucum, and also T1, T3 and T4.

RESERVES AND RESOURCES

Total Mineral Resources as at 31 December 2016 were 67.0 million tonnes @ 1.82 g/t gold for 3.92 million ounces representing an 11% increase in both gold grade and ounces compared to 67.2 million tonnes @ 1.64 g/t gold for 3.54 million ounces as at 31 December 2015. This is an increase of 379,000 ounces (11%) on the 2015 Mineral Resource or 547,000 ounces (16%) after allowing for 2016 depletion of 168,000 ounces.

The Mineral Resource increase is mainly a result of successful near mine drill programs at Tap AB in 2016, where mineral resources increased substantially to 22.2 million tonnes @ 2.02 g/t gold for 1,446,000 ounces. This is an increase of 559,000 ounces (63%) on the 2015 Tap AB Mineral Resource or 635,000 ounces (78%) after allowing for 2016 depletion of 76,000 ounces. Tap AB open pit resource grade increased by 16%.

Total Ore Reserves as at 31 December 2016 were 28.2 million tonnes @ 1.74 g/t gold for 1.58 million ounces representing a 7% increase in ounces and a 9% increase in grade compared to 28.9 million tonnes @ 1.59 g/t gold for 1.48 million ounces as at 31 December 2015. This is an increase of 99,000 ounces (7%) on the 2015 Reserve or 267,000 ounces (18%) after allowing for 2016 depletion of 168,000 ounces.

The Ore Reserves increase is mainly a result of successful near mine drilling programs at Tap AB in 2016, where Open Pit Ore Reserves at Tap AB increased substantially in grade and ounces to 8.9 million tonnes @ 1.76 g/t gold for 503,000 ounces. This is an increase of 145,000 ounces (41%) on the 2015 Tap AB Open Pit Ore Reserve or 221,000 ounces (78%) after allowing for depletion of 76,000 ounces. Tap AB Open Pit Reserve grade increased by 21%.

Open Pit Ore Reserves at Urucum remained materially unchanged at 10.54 million tonnes @ 1.68 g/t gold for 568,000 ounces. This is a decrease of 28,000 ounces (5%) on the 2015 Urucum Open Pit Ore Reserve or an increase of 23,000 ounces (4%) after allowing for 2016 depletion of 51,000 ounces. Urucum Open Pit Reserve grade increased by 13%.

EXPLORATION

Brazil

In the March 2017 quarter, a total of 13,648 m of drilling, comprising 7,732 m of grade control reverse circulation (RC) drilling and 5,181 m of exploration / resource delineation RC drilling, was completed. A total of 735 m of diamond drilling was also completed.

Exploration drilling at Tucano has continued to deliver strong results from extensions to multiple subparallel gold lodes that remain open below the Tap AB Open Pit (see ASX announcement of 2 February 2017).

In addition a new mineralised trend > 1 km long at Torres/Tap AB Sul is emerging as a high priority target for gold oxide resource additions (Figure 1). It is located along the same deep weathering contact zone between the Banded Iron Formation (BIF) and schist that hosts the very high-grade Tap AB1 and Tap AB2 Trough Lodes immediately to the north and also the Duckhead Main Lode deposit 6 km to the southeast.

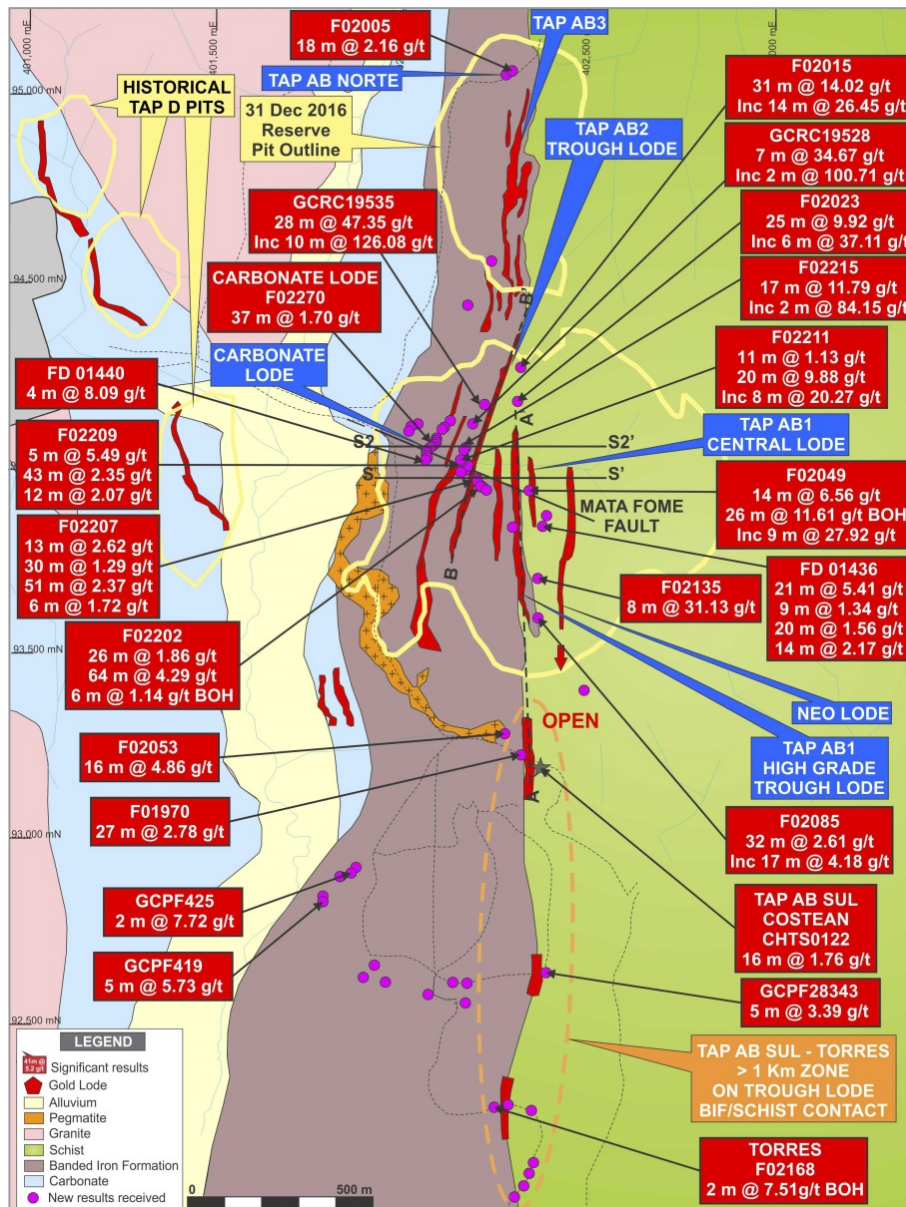


Figure 1. Tap AB – Torres plan showing location of new drill results

TAP AB1 Trough Lode

Deeper drilling on the Tap AB1 Trough Lode has extended the steep north plunge of the mineralisation further down dip intersecting multiple wide zones of oxide gold mineralisation in hole F02202, 20 m @ 0.68 g/t gold from 126 m, 64 m @ 4.29 g/t gold from 150 m and 6 m @ 1.14 g/t gold from 230 m to bottom of hole (BOH). The same hole also intersected broad intercepts in the upper part of the hole from the adjacent Central Lode.

Results from diamond hole FD01436 drilled further to the south also intersected multiple broad zones of oxide gold mineralisation in the Tap AB1 Trough Lode, 21 m @ 5.41 g/t gold 92 m, 9 m @ 1.34 g/t gold from 211 m, 20 m @ 1.56 g/t gold from 225 m and 14 m @ 2.17 g/t gold from 250 m. These results are important as they confirm the multiple oxide lodes intersected in previous RC drilling.

The new deepest ore intersections on the Tap AB1 Trough Lode remain in strongly oxidised rock, which is positive for potential gold oxide resource and reserve additions. From the top of Monkey Hill to the new deep intersections on the Tap AB1 Trough Lode, the depth of oxide ore is more than 300 vertical meters. Gold mineralisation remains open at depth and is the target of ongoing drilling.

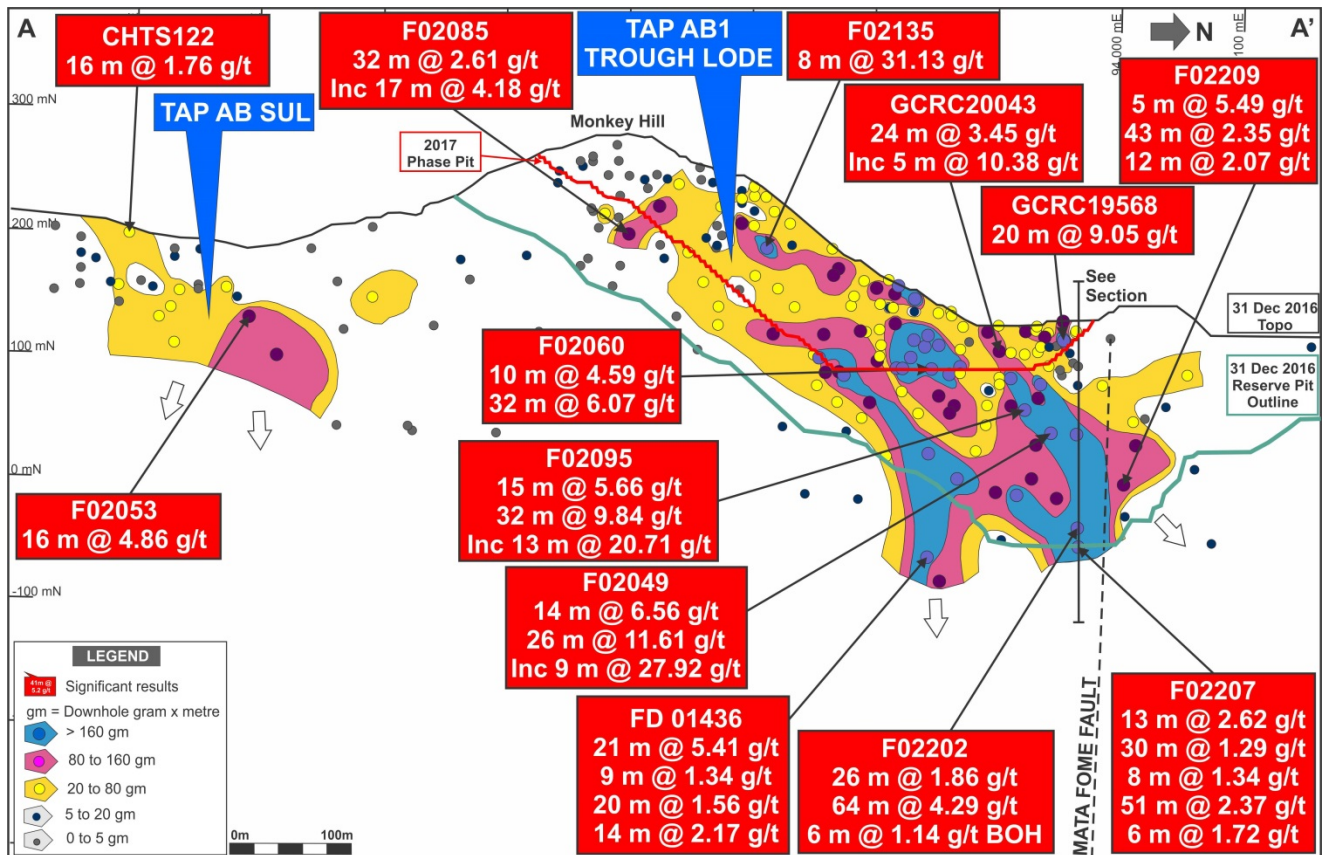


Figure 2. Tap AB1 Trough Lode showing location of drill results received during the quarter.

Tap AB2 Trough Lode

Resource delineation and extension drilling continued to intersect strong mineralisation along the southern section of the Tap AB2 Trough Lode with results of 20 m @ 9.88 g/t gold from 50 m including 8 m @ 20.27 g/t gold from 50 m in RC hole F02211 and 17 m @ 11.79 g/t gold from 46 m including 2 m @ 84.15 g/t gold from 47 m in hole F02215. Infill hole GRCR20078 intersected a spectacular result of 20 m @ 27.96 g/t gold from 35 m including 4 m @ 126.83 g/t gold from 38 m improving the resource grade in that area of the reserve pit.

Diamond drilling, targeting the deeper depth extension of the Tap AB2 Trough Lode, has intersected fresh rock gold mineralisation on the southern and northern high-grade shoots, confirming the high-grades continue beneath the deep oxide weathering trough. Results include FD01440, 4 m @ 8.09 g/t gold from 189 m and FD01442, 11 m @ 4.72 g/t gold from 260 m and 3 m @ 5.5 g/t gold from 275 m. These drill intersected gold zones remain open at depth, and combined have extended the southern part of the Tap AB2 Trough Lode by approximately 100 m vertically.

Carbonate Lode

One of the main stratabound ore lodes in the Tap AB Open Pit is the Carbonate Lode which is hosted in an approximately 20 m wide carbonate unit within the main BIF chemical unit. The Carbonate Lode is generally more deeply weathered than surrounding host rocks and forms an important part of the Tap AB deposit.

The Carbonate Lode is generally shallowly drilled below the open pit reserve. Results received during the quarter include 13 m @ 3.38 g/t gold from 107 m to BOH in F02182, 32 m @ 2.05 g/t gold from 70 m in F02183, 30 m @ 1.78 g/t gold from 89 m and 15 m @ 1.26 g/t gold from 125 m to BOH in F02181. These shallow gold mineralised zones remain open at depth and continue to improve the oxide resource base at Tap AB with ongoing drilling.

Torres/Tap AB Sul

Immediately south of the Tap AB deposit is a continuation of the gold mineralisation trend along the Tap AB Sul to Torres zone. Only limited previous drilling has been completed in this area due to a combination of high topographic relief but also the presence of pegmatite sills at the surface that may mask a significant gold mineralised system at depth.

First pass exploration along limited existing access continues to enhance the potential of this area. New RC drill results from Torres have extended the strike length of the gold mineralised corridor another 400 m to the south of earlier results. Hole F02168 drilled through a pegmatite unit and intersected 2 m of BIF grading 7.51 g/t gold from 78 m to BOH. A scissor hole F02281 drilled towards the west intersected 5 m @ 1.35 g/t gold from 59 m and 2 m @ 1.69 g/t gold from 70 m to BOH.

At the northern end of the 1 km long Torres / Tap AB Sul trend, recent costeaming has confirmed a wide zone of gold oxide mineralisation reaches the surface with a result of 16 m @ 1.76 g/t gold in CHTS0122.

Duckhead

A total of nine holes were drilled targeting the Main Lode. The results confirmed the continuity of a discreet very high grade continuous and steeply dipping lode in fresh rock beneath the Duckhead Open Pit. Drill hole FVM00587 intersected a result of 10 m @ 12.19 g/t gold from 78 m including 2 m @ 34.17 g/t gold from 79 m. This intercept is located approximately 20 m down plunge of a previously announced result of 48 m @ 11.62 g/t gold in FVM00560, demonstrating good continuity of the high-grade gold lode. Other shallower results from the program include FVM00592, 6 m @ 14.62 g/t gold from 13 m and FVM00590, 4 m @ 6.82 g/t gold from 56 m.

A small program of four RC holes was completed at Woodpecker located 500 m along strike to the WNW of the Duckhead Main Lode. A best result of 6 m @ 2.36 g/t gold from 111 m was drilled 25 m on section below a previously released result of 2 m @ 11.44 g/t gold in FDVM0145. The Woodpecker mineralisation is associated with intense carbonate alteration and remains open at depth.

Brazil Greenfields Exploration

Tucano Regional

Regional exploration soil sampling programs were completed during the quarter in the Mutum and Urucum East target areas. A total of 1,687 soil samples were collected at Mutum and from a new target west of Mutum. A total of 534 soil samples were collected from T3 and T4 targets at Urucum East. Results from this program are continuing to be received and compiled and an update will be provided in due course.

Follow up drilling programs of high priority regional targets including Mutum and Urucum East is planned to occur in the H2 dry season of 2017.

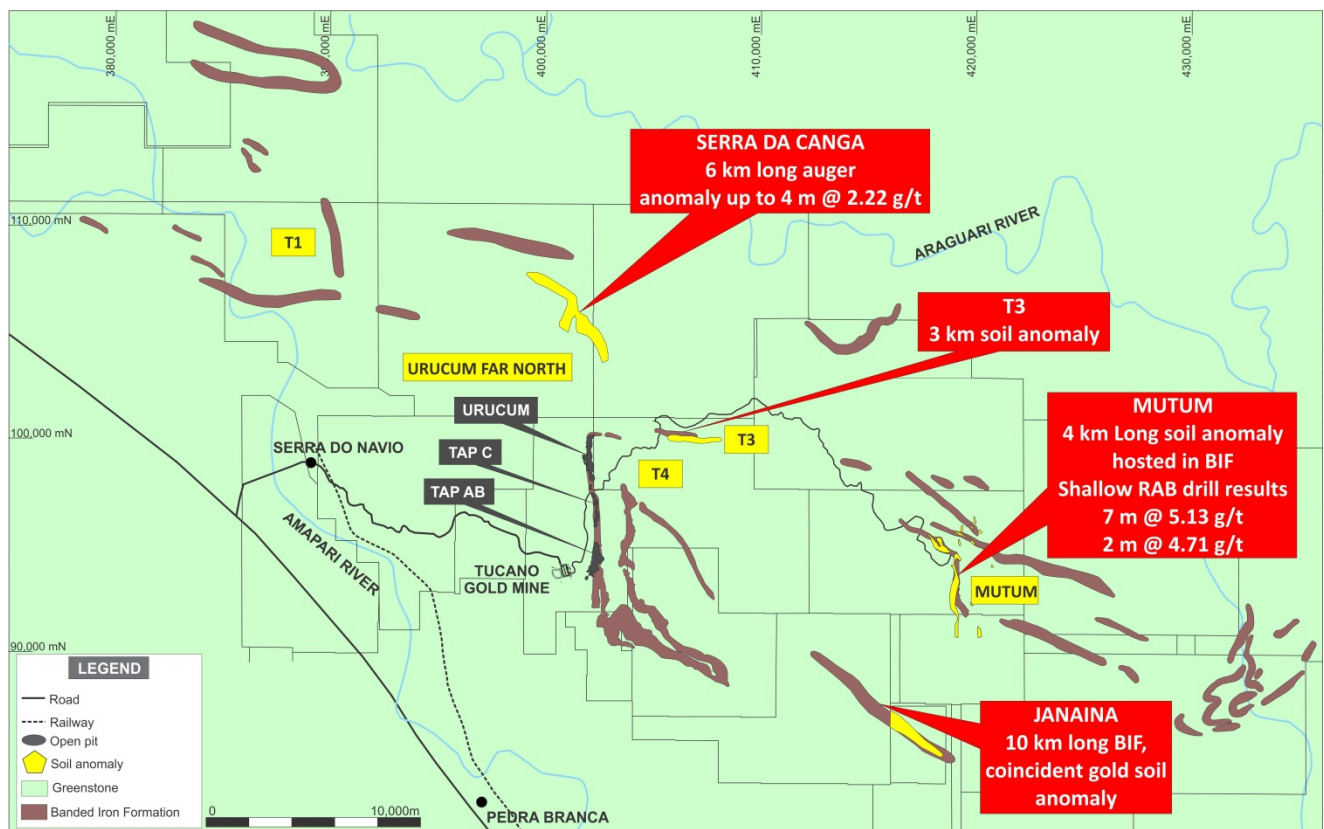


Figure 3. Tucano regional targets areas showing location of interpreted Banded Iron Formation.

ASX Code: BDR			
Board of Directors		Senior Management	
Craig Readhead	Non-Exec. Chairman	Simon Jackson	CEO & Managing Director
Simon Jackson	CEO & Managing Director	Greg Barrett	CFO / Company Secretary
Nicole Adshead-Bell	Non-Exec. Director	Peter Holmes	Chief Operating Officer
Brant E. Hinze	Non-Exec. Director	Graham Donahue	Head of Corp. Develop.
Timo Jauristo	Non-Exec. Director	Rob Watkins	Head of Geology
Glen Masterman	Non-Exec. Director	Luis Pablo Diaz	General Manager - Brazil
		Mike Robinson	Operations Manager
Corporate Details		Head Office	
Issued capital: 1,233,430,847 ordinary shares (as at 26 April 2017)		Level 2, 16 Ord Street West Perth 6005	
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COMPETENT PERSON STATEMENT

The information is extracted from the reports entitled “Tap AB, Torres and Duckhead Drill Results Continue to Expand Gold Zones” created on 2 February 2017 and “Ore Reserve and Mineral Resource Update” created on 11 April 2017 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.