

## HIGHLIGHTS

### OPERATIONS

- **Gold Production** – Gold production for the June 2017 quarter was 23,703 ounces. Production is forecast to be considerably higher in the second half of the year as grade increases at depth in the Tap AB pit complex. The Company reiterates its 2017 annual production guidance of 140,000 to 150,000 ounces. Gold production for the next 12 months to June 2018 is expected to exceed 170,000 ounces.
- **Costs** – Cash costs for the June 2017 quarter were US\$1,492 per ounce. All-in Sustaining Costs (AISC)\* for the June 2017 quarter were US\$1,558 per ounce. Whilst June quarter costs were expected to be higher as the pre-strip of Monkey Hill is completed (see Figure 1), AISC per ounce has been negatively impacted by continued mining fleet availability issues and resultant reductions in material movement. The Company has implemented cost reduction measures with the mobilisation of a prominent Brazilian mining contractor in early July to complement the existing contractor. Mining performance is expected to improve in the second half of 2017 with reductions in unit costs due to increased material movement. The strength of the Brazilian Real continues to negatively impact AISC.
- **Tucano Plant Upgrade** –The Company announced a plant upgrade at Tucano following the completion of a Feasibility Study. The upgrade project, incorporates the addition of a 6MW ball mill, a high-rate pre-leach thickener, another leach tank and an oxygen sparging system at Tucano. (ASX release: 11 May 2017)

### CORPORATE

- **Gold Sales** – Gold sales for the June 2017 quarter totalled 24,217 ounces at an average cash price received of US\$1,247 per ounce.
- **Cash and Bullion** – Cash and bullion as at 30 June 2017 was A\$38.3 million (as at March 2017 was A\$55.7 million) (bullion valued at AUD/USD = 0.77 and US\$1,242 per ounce).
- **Debt repayment schedule**– The Company has restructured its Santander – Itaú Facility repayment schedule to better align with the Tucano Plant Upgrade capital commitments.
- **Consolidation of the Tucano Land Package** – The Company has finalised the acquisition of the former joint venture partners' 30% interest in 576 km<sup>2</sup> of tenure surrounding the Tucano gold mine and made an initial payment of US\$300,000. A further three payments of US\$500,000 each will be made over the coming 12 months. Beadell now controls 100% of approximately 2,500 km<sup>2</sup> of highly prospective and under explored greenstone. (ASX release: 6 April 2017)
- **Outlook** – As grade increases with depth in the Tap AB complex, production is expected to be significantly higher in the next 12 months. Consistency in head grade and production should result following the plant upgrade scheduled for commissioning in mid-2018. The Company should see increasing free cash flow from that point which, coupled with ongoing exploration success, underpins the long term creation of value for shareholders.

### EXPLORATION

- **Tap AB1 Trough and Central Lodes** – New results from extension and confirmation drilling include 5 m @ 7.18 g/t gold from 26 m (Central Lode) and 10 m @ 3.91 g/t gold from 102 m and 40 m @ 4.10 g/t gold from 121 m (Tap AB1 Trough Lode) and F02292 of 18 m @ 1.75 g/t gold from 166 m, 12 m @ 4.02 g/t gold from 198 m and 7 m @ 1.78 g/t gold from 218 m to bottom of hole (ASX release: 26 June 2017).
- **Tap AB3 Trough Lode** – New results were received from the northern extension of the Tap AB3 Trough Lode. A result of 16 m @ 5.23 g/t gold from 135 m in hole F02368 is located in the same zone of deep weathering zone that hosts the very high grade Tap AB1 and Tap AB2 Trough Lodes, extending the strike of this zone outside of the reserve open pit (ASX release: 26 June 2017).

- **Carbonate Lode** – New results confirming a north plunge have recorded wide and high grade gold intercepts in diamond drilling of 18 m @ 7.55 g/t gold from 56 m including 7 m @ 14.65 g/t gold from 62 m and 27 m @ 5.96 g/t gold from 80 m including 7 m @ 18.84 g/t gold from 97 m. The Carbonate Lode remains shallowly drilled beneath the reserve open pit and is a high priority of ongoing drilling aiming to increase the Tap AB resource and open pit reserve (ASX release: 26 June 2017).
- **Torres** – New results received at the northern end of the Torres corridor include 24 m @ 3.00 g/t gold from 72 m. A further 1 km to the south a re-entry of F02168 extended the mineralisation a further 3 m to record a result of 5 m @ 4.91 g/t gold from 78 m (ASX release: 26 June 2017). The Torres target is located on the same eastern BIF contact that hosts the high grade Tap AB1 and Tap AB2 Trough Lodes immediately along strike to the north. A systematic drill out of the Torres structure has just commenced on 80 m spaced drill traverses over a 1km strike length.
- **Tucano Regional** – Regional exploration programs completed year to date include first pass wide spaced reconnaissance soil sampling of several high priority targets at Mutum, T3 and T4. Results have further enhanced the potential in the wider greenstone belt with a large new 4 km long greater than 10 ppb gold soil anomaly generated at the newly named Arara prospect with soil results up to 2,440 ppb (2.44 g/t) gold (ASX release: 26 June 2017).

\*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	Jun 2017 Quarter	Jun 2016 Quarter	%	1H2017	1H2016	%
Total Waste Moved*	tonne	3,517,041	4,348,431	-19%	6,226,544	9,562,157	-35%
Gold Ore Mined	tonne	615,075	601,428	2%	1,236,811	1,201,040	3%
Total Material Moved	tonne	4,132,116	4,949,859	-17%	7,463,355	10,763,197	-31%
Gold Ore Milled	tonne	895,948	863,438	4%	1,758,486	1,858,646	-5%
Head Grade	g/t	0.93	1.02	-9%	1.04	1.07	-3%
Plant Recovery	%	88.5%	86.7%	2%	88.7%	88.1%	1%
<b>Total Gold Recovered</b>	<b>ounce</b>	<b>23,703</b>	<b>24,568</b>	<b>-4%</b>	<b>52,261</b>	<b>56,642</b>	<b>-8%</b>
<b>Total Gold Sold</b>	<b>ounce</b>	<b>24,217</b>	<b>26,487</b>	<b>-9%</b>	<b>54,693</b>	<b>60,302</b>	<b>-9%</b>

\* Waste mined plus iron ore mined.

Cash Costs and All-In Sustaining Costs	Unit	Jun 2017 Quarter	Jun 2016 Quarter	%	1H2017	1H2016	%
On-Site Production Costs	US\$/ounce	1,418	898	58%	1,199	776	55%
On-Site G&A Costs	US\$/ounce	74	55	35%	67	47	43%
<b>Cash Costs</b>	<b>US\$/ounce</b>	<b>1,492</b>	<b>953</b>	<b>57%</b>	<b>1,266</b>	<b>823</b>	<b>54%</b>
Royalties	US\$/ounce	23	21	9%	24	22	9%
On-Site Corporate Costs	US\$/ounce	39	18	117%	34	15	127%
Exploration Costs (Sustaining)	US\$/ounce	-	50	-%	-	38	-%
Capitalised Stripping Costs (Sustaining)	US\$/ounce	-	192	-%	-	148	-%
Capital Expenditure (Sustaining)	US\$/ounce	4	11	-61%	14	9	56%
<b>All-In Sustaining Costs*</b>	<b>US\$/ounce</b>	<b>1,558</b>	<b>1,245</b>	<b>25%</b>	<b>1,338</b>	<b>1,055</b>	<b>27%</b>

\* 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 June 2017 quarter totalled 23,703 ounces, a decrease of 4% over the June 2016 quarter. Gold production for the first half of 2017 totalled 52,261 ounces, 8% less than in the same period last year.

### Costs

Increased mining unit costs, together with below budget gold production, have resulted in AISC per ounce exceeding budget for the quarter. Mining unit costs are expected to reduce significantly with planned increased material movement in the second half of the year.

Additionally, AISC per ounce reported continues to be negatively impacted by a strengthened Brazilian Real. The actual average Real/USD exchange rate for the quarter was 6% stronger than the annual consensus rate used in the annual cost guidance and 9% stronger than in the corresponding period last year.

Processing and G&A costs were at or below budget for the quarter.

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

### Mining

In the June 2017 quarter, 615,075 tonnes of gold ore were mined, an increase of 2% over June 2016 quarter. Total material movement was 4,132,116 tonnes, a decrease of 17% over the June 2016 quarter.

Delays in construction of haul roads and lower than budgeted material movement impacted planned production at AB1 and AB2. Additionally, permitting delays experienced during the previous quarter held up access to planned ore from AB1-F3 for the June quarter. These issues have resulted in lower than planned gold production for the quarter. To improve material movement and ensure production targets for 2017 are met, the Company has mobilised a prominent Brazilian mining contractor to complement the existing contractor. The new contractor commenced on site in early July.

Pre-stripping of Monkey Hill at Tap AB1 Trough Lode has largely been completed in the June quarter and access to high grade oxide ore has been established and will continue for the remainder of 2017 and first half of 2018 (see Figure 1). This supports the significant expected increase in gold production, with the next 12 months to June 2018 expected to exceed 170,000 ounces of gold. A Life of Mine (LOM) update is being finalised and will be released shortly. The new LOM will incorporate the updated mineral reserves (ASX release: 11 April 2017) and results of the plant upgrade FS (ASX release: 11 May 2017).

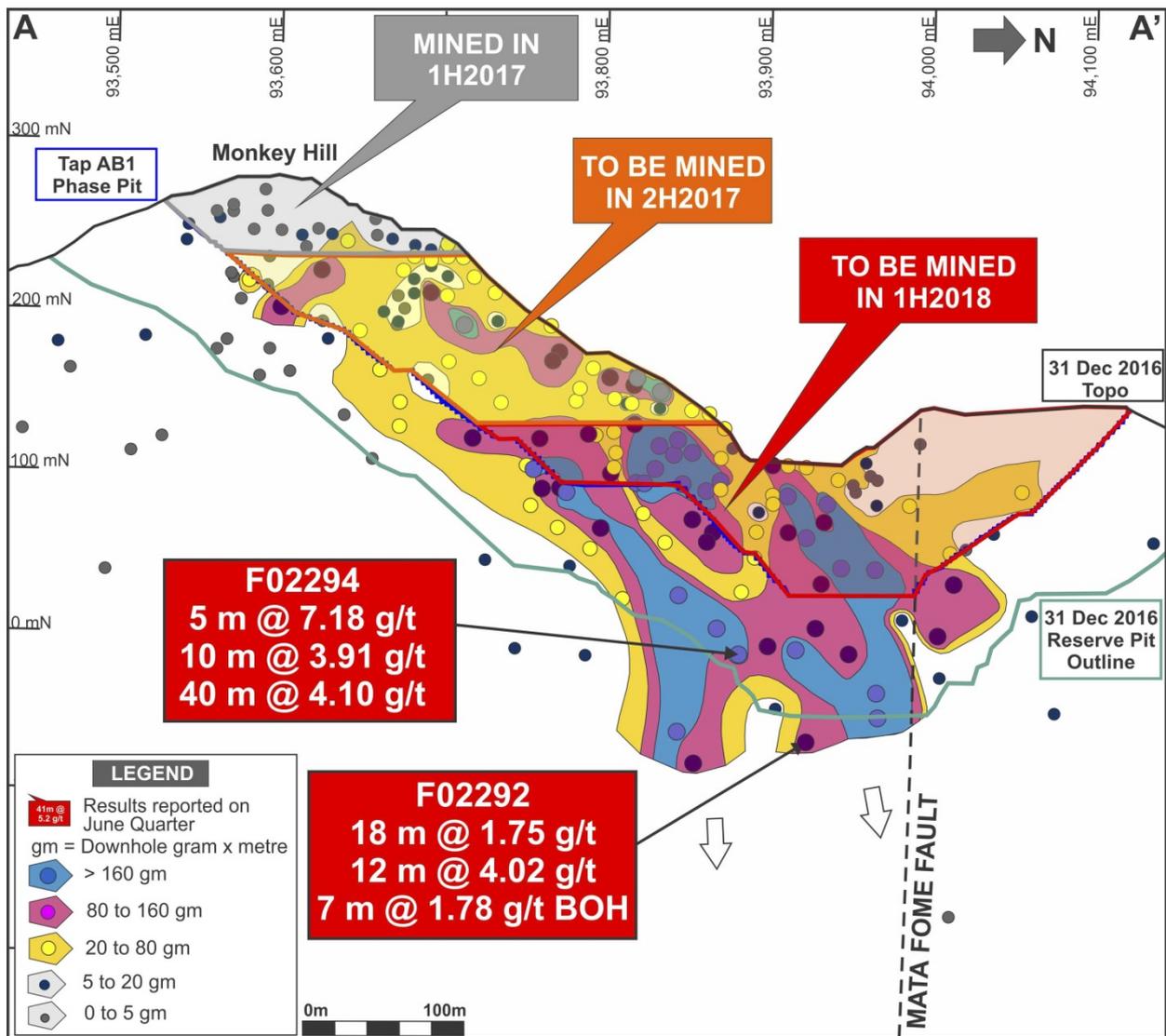


Figure 1. Tap AB1 Longsection showing forecast staged pit mining schedule and new drill results.

### Processing

During the June quarter, the CIL plant throughput was 895,948 tonnes and the process plant recovery for the period was 88.5%, increasing 4% and 2% over the June 2016 quarter, respectively. The mill feed grade was 0.93 g/t gold, 9% lower than the same period last year.

During the first half, 1,758,486 tonnes of gold ore was milled, a decrease of 5% over same period last year. The process plant recovery was 88.7%, representing an improvement of 1% over the first half of 2016. The mill feed grade was 1.04 g/t gold, a decrease of 3% compared to the first half of 2016.

The processing plant has operated above plan for the quarter with a higher availability and has processed approximately 32,000 tonnes more ore than planned. Improvements in maintenance practices have enabled a decrease in the frequency of plant shutdowns and improved availabilities.

During the quarter, the Company successfully integrated its first 1.8 MW of hydro-electric grid power and have since increased to 3 MW as part of a transition to approximately 12 MW of hydro-electric grid power over the next 12 months. The transition to hydro-electric power will reduce the Company's reliance on significantly more expensive diesel generated power to immaterial levels.

### **Tucano Plant Upgrade**

On 11 May 2017, the Company announced the results of a Feasibility Study (FS) completed on a plant upgrade project.

The FS demonstrates the viability of upgrading the Tucano process plant with an incremental estimated post-tax net present value (NPV) of US\$127 million at a 5% discount rate and an estimated internal rate of return (IRR) of 138%. The estimated pre-production capital cost is US\$27.6 million. Payback for the Project is 14 months.

Given the robust results of the FS, the Board of Directors approved the plant upgrade and the Project has already commenced. It is expected that the Project will be commissioned in mid-2018 and will be fully financed from treasury.

The completion of the Project is expected to deliver a number of benefits to Beadell including:

- Increased flexibility to process any mix of sulphide / oxide mill feed allowing the mine to be fully optimised;
- An ability to consistently process head grades in line with the reserve grade;
- An increase in forecast recoveries to 93% from the current budgeted recoveries of 88%; and
- Stabilized gold production profile and increased free cashflow.

Overall, the aim is to operate Tucano on a fully optimised basis that should result in the head grade being more in line with reserve grade quarter on quarter, resulting in more consistent gold production and cashflows.

## **CORPORATE & FINANCE**

### **Gold Sales**

Gold sales for the June 2017 quarter totalled 24,217 ounces at an average cash price received of US\$1,247 per ounce.

### **Cash & Bullion**

Cash and bullion as at 30 June 2017 was A\$38.3 million (as at March 2017 was A\$55.7 million) (bullion valued at AUD/USD = 0.77 and US\$1,242 per ounce).

### **Debt**

During the quarter, the Company amended its Santander – Itaú repayment schedule, reducing its debt repayment obligations while the Company carries out its recently announced Tucano Plant Upgrade.

Prior to the amendment, the Company had four scheduled quarterly repayments of US\$5 million remaining, ending in January 2018. The repayment schedule has now been amended as follows;

- US\$2.5 million repayments due in July 2017, January 2018, July 2018 and October 2018, and
- US\$5 million repayments due in January 2019 and April 2019

In accordance with the amended repayment schedule, the Company made no Santander – Itaú debt repayments during the quarter.

Additionally, the Company received net proceeds of approximately US\$1.9 million from short-term facilities during the quarter.

## Share Purchase Plan

The Company received proceeds of A\$4.5 million during the quarter from a Share Purchase Plan (SPP). The SPP shares were issued on 6 April 2017.

## Judicial Deposit

The Company is disputing a change by the State of Amapá to the calculation of a gold royalty and has made an application to the Federal Supreme Court of Brazil for the matter to be heard.

In connection with this application, the Company has made a Judicial Deposit with the State Supreme Court, for an amount of ~A\$4.8 million to prevent the addition of any fines or penalties, pending the outcome of a Federal Supreme Court decision.

The Company and its Brazilian counsel are confident of a ruling in the Company's favour and expect that the Judicial Deposit will be returned in full at the conclusion of the case.

## Capital and Exploration Expenditure

Non-sustaining capital expenditure for the June 2017 quarter was A\$5.2 million, which was largely associated with the Company's Tucano Plant Upgrade, construction of long term tailings storage facilities and construction of new haul roads.

Non-sustaining exploration expenditure for the June 2017 quarter was A\$1.5 million.

## EXPLORATION

### Brazil

In the June 2017 quarter, a total of 11,942 m of drilling, comprising 7,194 m of grade control reverse circulation (RC) drilling and 3,935 m of exploration / resource delineation RC drilling, was completed. A total of 813 m of diamond drilling was also completed.

Near mine exploration drilling continues to focus on the Tap AB complex where robust additional drill results were received from extensions to multiple lodes including Tap AB1 Trough Lode, Tap AB3 Trough Lode, Carbonate Lode, Central Lode. Accelerated resource extension and confirmation drilling is in progress at these targets from the Tap AB complex in the lead up to a mid-year Resource and Reserve update which will be completed in the coming quarter.

Encouraging early stage results were received from the Torres target immediately south of Tap AB, where a 1 km long corridor of mineralisation has been intersected in wide spaced drilling along the same BIF contact that host the high grade Tap AB1 and AB2 Trough Lodes. A systematic drill-out on 80 m sections has commenced along the entire 1 km strike length.

Initial regional reconnaissance soil sampling programs completed year to date have yielded encouraging results including the discovery of a new large +4 km long greater than 10 ppb gold soil anomaly with up to 2.44 g/t gold at Arara located 4 km west of the growing Mutum anomaly. New soil anomalies have also been generated at T3 and T4 located immediately east of the 1.8 million ounces Urucum deposit. The new soil anomalies generated have laterally extensive 5-10 ppb gold haloes against a background of 1-5 ppb gold.

As the dry season approaches in the second half of 2017 the Company plans to drill approximately 20,000 m targeting the highly prospective Tap AB to Torres corridor.

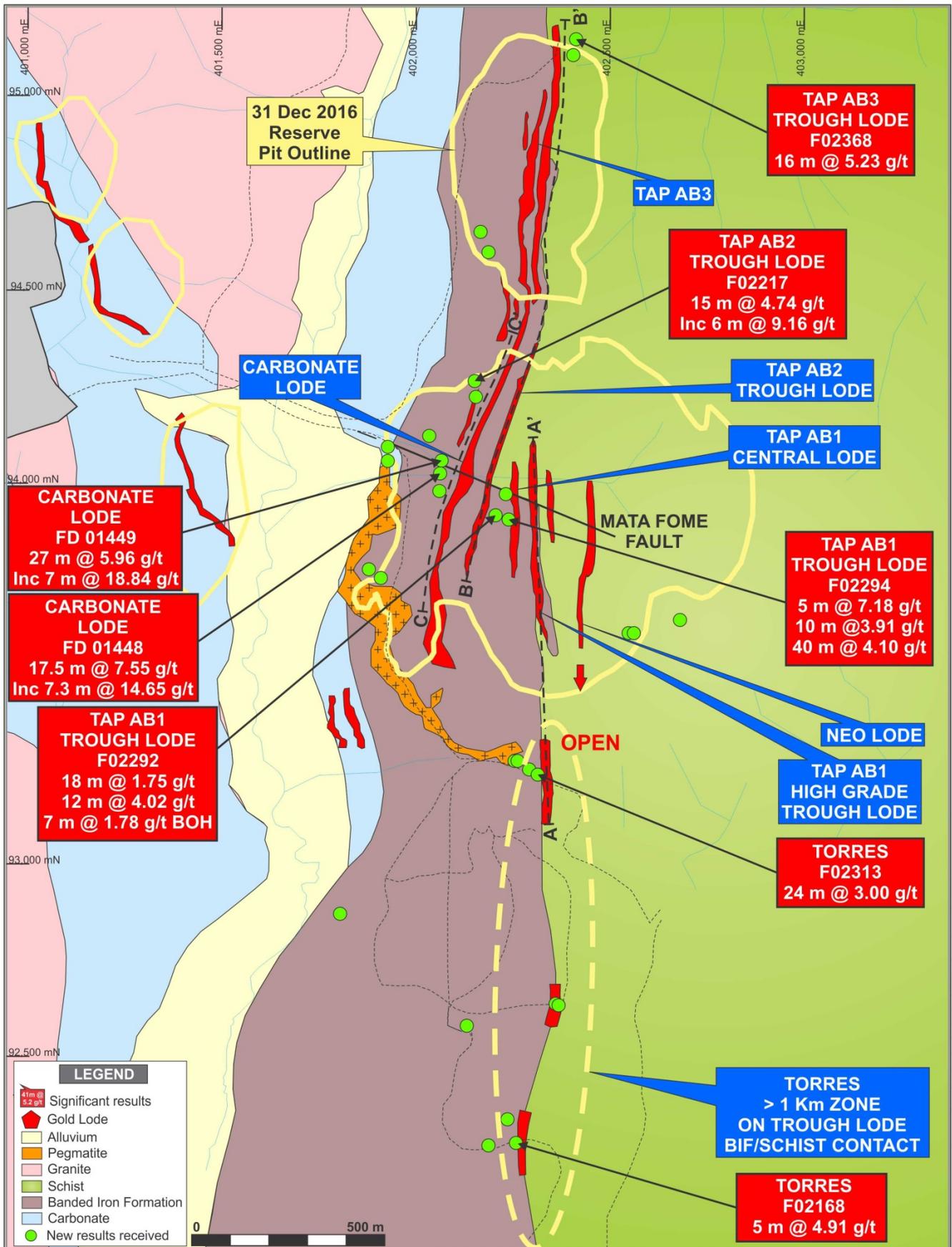


Figure 2. Tap AB to Torres plan showing location of new drill results

### Tap AB1 Trough and Central Lodes

The Tap AB1 Trough Lode occurs on the same geological contact as the high grade Tap AB2 and AB3 Trough Lodes to the north. The Central lode is a recently discovered subparallel lode located within the BIF immediately west of the Tap AB1 Trough Lode and has only been shallowly drilled.

New results from deeper extension and confirmation drilling include F02294, **5 m @ 7.18 g/t gold** from 26 m (Central Lode) and **10 m @ 3.91 g/t gold** from 102 m and **40 m @ 4.10 g/t gold** from 121 m (Tap AB1 Trough Lode) and F02292 of **18 m @ 1.75 g/t gold** from 166 m, **12 m @ 4.02 g/t gold** from 198 m and **7 m @ 1.78 g/t gold from 218 m to bottom of hole** (Figures 1 & 2). These new results continue to delineate and extend the growing resource base at Tap AB.

#### Tap AB2 and AB3 Trough Lodes

New results were received from the northern extension of the Tap AB3 Trough Lode (Figure 2). A result of **16 m @ 5.23 g/t gold** from 135 m in hole F02368 occurs in the same zone of deep weathering that hosts the very high grade Tap AB1 and Tap AB2 Trough Lodes, extending the strike of this zone. Previous drilling to the north of Tap AB3 has focused on the sub-parallel Carbonate Lode immediately to the west of this result. A deep weathering horizon previously intersected in drilling further supports this target's potential.

The Tap AB3 Trough Lode extension to the north remains under drilled below the reserve open pit and is a high priority area for follow up drill testing which is in progress.

#### Carbonate Lode

The Carbonate Lode forms a stratabound shear hosted gold lode located within an approximately 20 m wide carbonate unit internal to the wider BIF. The mineralisation within the Carbonate lode is traceable over a 2 km strike length and forms one of the main ore sources from the Tap AB deposit.

New results targeting the shallow north plunge of the mineralisation have recorded wide and high grade gold intercepts in diamond drilling including FD01448, **18 m @ 7.55 g/t gold** from 56 m including **7 m @ 14.65 g/t gold** from 62 m and FD01449, **27 m @ 5.96 g/t gold** from 80 m including **7 m @ 18.84 g/t gold** from 97 m (Figures 2 & 3). These results and other recent results shown in Figure 3 show that the Carbonate Lode is completely open at depth immediately below the reserve open pit. Extension drilling is in progress to define the plunge and extent of the lode at depth.

The Carbonate Lode remains a high priority target given the shallow nature of the drilling to date below the reserve open pit and the favourable topographic location on the western edge of the Tap AB deposit. Extension drilling is in progress with results expected shortly..

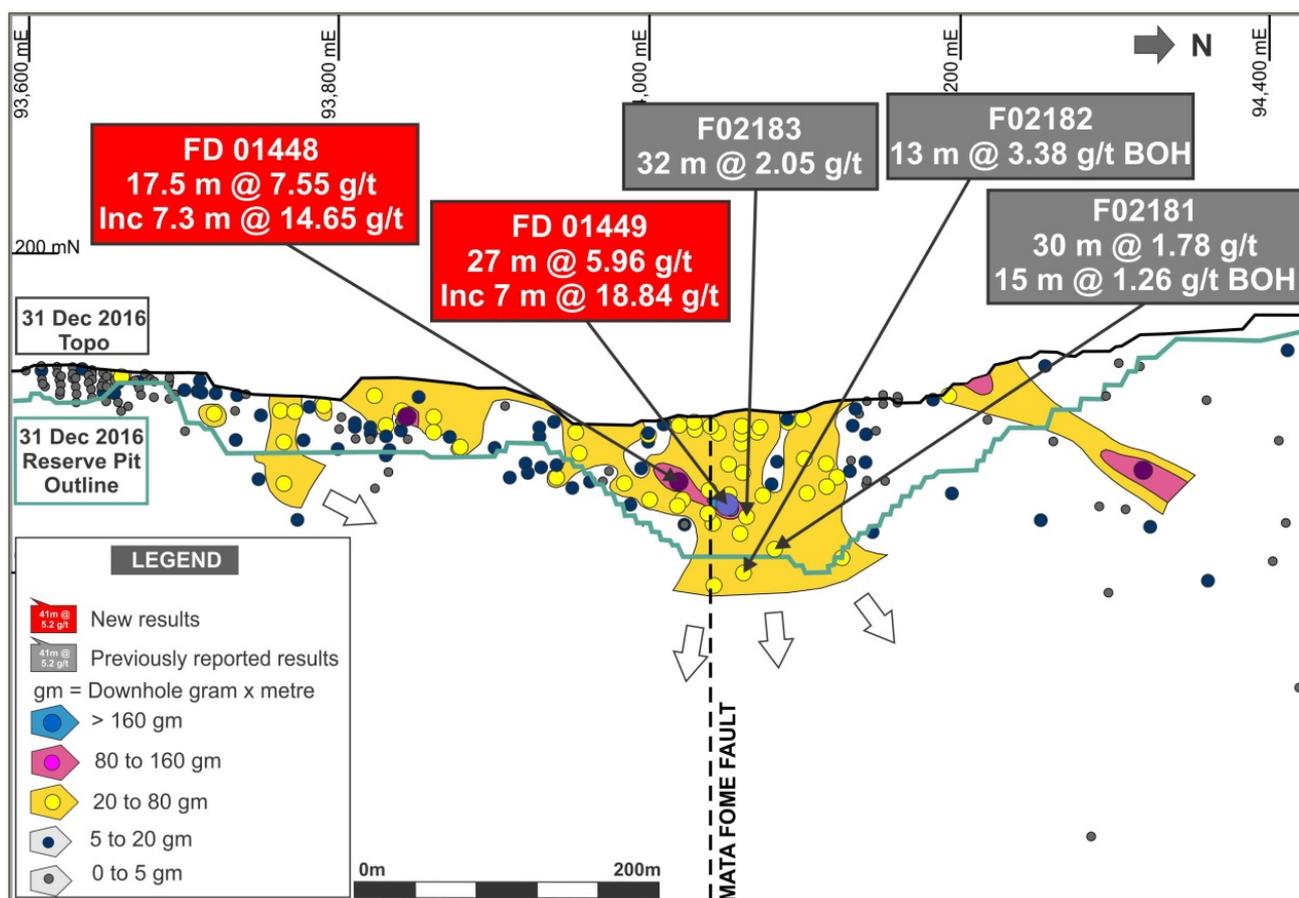


Figure 3. Tap AB Carbonate Lode showing location of new drill results.

## Torres

The Torres target is a 1 km segment of the highly prospective eastern contact of the BIF unit that hosts the high grade Tap AB1, AB2 and AB3 Trough Lodes. This same contact also hosts the very high grade Duckhead deposit to the south east. Recent drilling using limited existing access indicates the mineralised mine corridor continues along this contact for at least 1 km (Figure 2).

New results received at the northern end of the Torres include F02313, **24 m @ 3.00 g/t gold** from 72 m. A further 1 km to the south a re-entry of F02168 extended the mineralisation a further 3 m to record a result of **5 m @ 4.91 g/t gold** from 78 m.

A 4,000 m systematic RC drill out of the highly prospective Torres corridor on 80 m spaced traverses over a 1 km strike length has recently commenced.

## Brazil Greenfields Exploration

### Tucano Regional

A renewed focus on regional exploration is underway with a dedicated regional exploration team in place. This year more than 5,000 m of drilling and 14,000 near surface sampling including stream sediment, soil, auger and blast hole drilling is planned. A man portable diamond rig has been purchased and will be used as a drill tool to explore with minimal environmental impact allowing more rapid first pass evaluation of high priority target areas.

Regional exploration programs completed year to date includes first pass wide spaced reconnaissance soil sampling of several high priority targets at Mutum, T3 and T4 (Figure 4 & 5). Results have further enhanced the potential in the wider greenstone belt with a large new 4 km long greater than 10 ppb gold soil anomaly generated at the newly named "Arara" prospect with soil results up to 2,440 ppb (2.44 g/t).

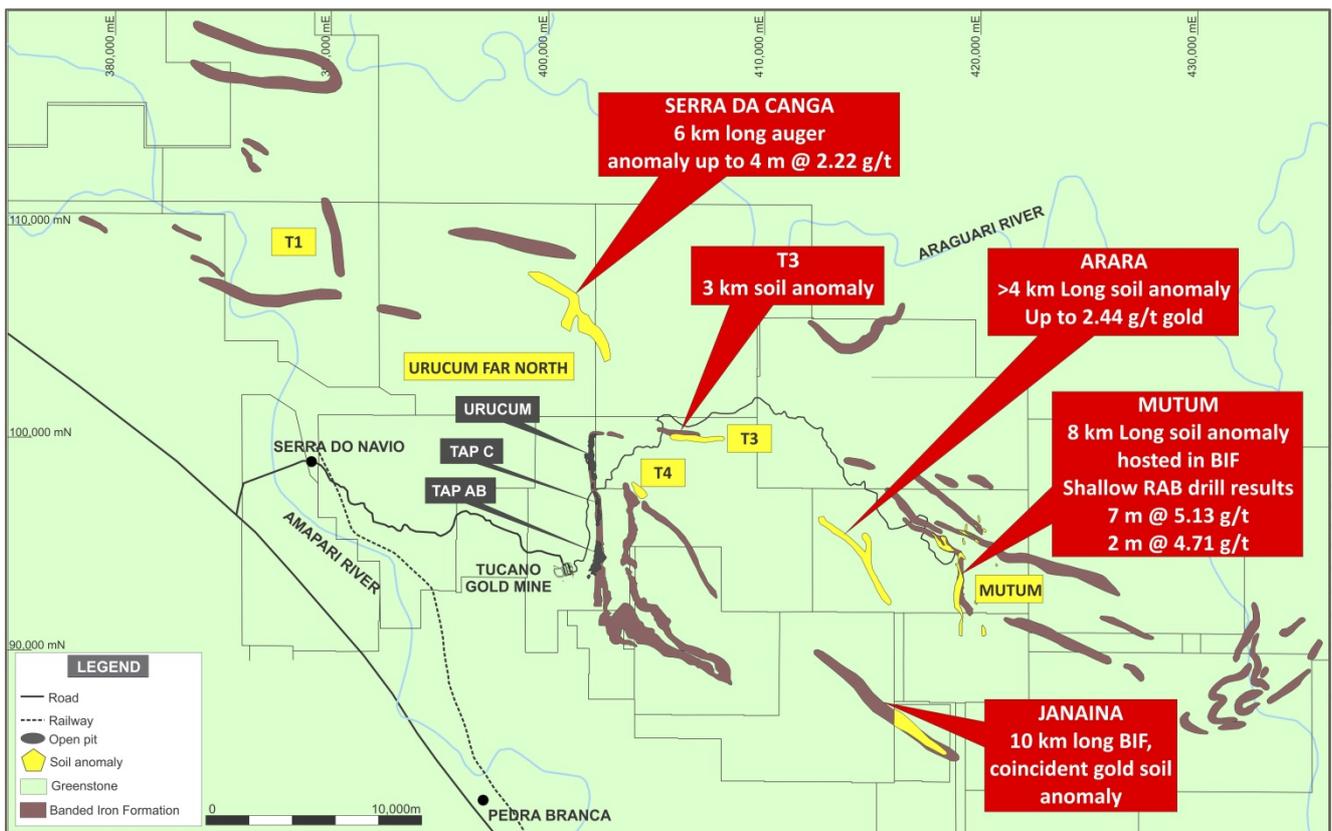


Figure 4. Tucano Regional Exploration showing location of high priority targets and new soil anomalies

### Arara

Reconnaissance soil sampling west of Mutum on an 800 m x 40 m grid has delineated a 4 km long open ended, northwest trending greater than 10 ppb gold soil anomaly that appears to be on a Mutum parallel

trend approximately 4 km west of the Mutum anomaly (Figures 4 & 5). A highly anomalous maximum result of 2,440 ppb (2.44 g/t) gold was received from the soil results.

Further soil sampling and mapping will be completed in the near term including an extension of the soil grid to the northwest where a major north-south structure is evident in aeromagnetics and digital terrain models.

The source of the soil anomaly remains unknown, occurring in deeply weathered soils typical of the strongly weathered greenstone belt. No evidence of garimpeiro activity is associated with the soil anomaly itself, although evidence of gold in the area is indicated substantial historical garimpeiro workings in the creeks that transgress across the anomaly.

Arara was targeted for first pass soil sampling in an area of no previously recorded historical soils or exploration west of Mutum adjacent to the Cupixizinho river.

#### Mutum

The Mutum soil anomaly has been extended along strike to the northwest by over 3 km at a greater than 10 ppb gold on 800 m x 40 m spaced soil sampling where a maximum result of 51 ppb gold was received. The Mutum anomaly is now over 8 km long and remains open along strike (Figures 4 & 5).

A first pass 5,000 m RC drilling program has been designed to follow up on the original shallow open hole blast hole drill results that recorded up to 7 m @ 5.13 g/t gold in BIF coincident with the soil anomaly. The drilling is expected to be completed in Q4 2017.

#### T3 & T4

The T3 and T4 targets are aeromagnetic anomaly interpreted to represent untested BIF occurrence east of the Urucum deposit (Figures 4 & 5).

First pass soil sampling was completed on 400 m and 800 m lines at 40 m between samples. The results show a coherent > 3 km long east-west gold in soil anomaly at T3 at plus 10 ppb (highest result to date 101 ppb gold) coincident with the lower relief magnetic highs that may indicate underlying BIF.

Soil sampling at T4 has delineated a +500 m long northwest trending plus 10 ppb gold soil anomaly that remains open to the southeast. A maximum result of 73 ppb gold is located on the end of the line.

Further sampling and mapping will be completed at T3 and T4 prior to first pass drill testing.

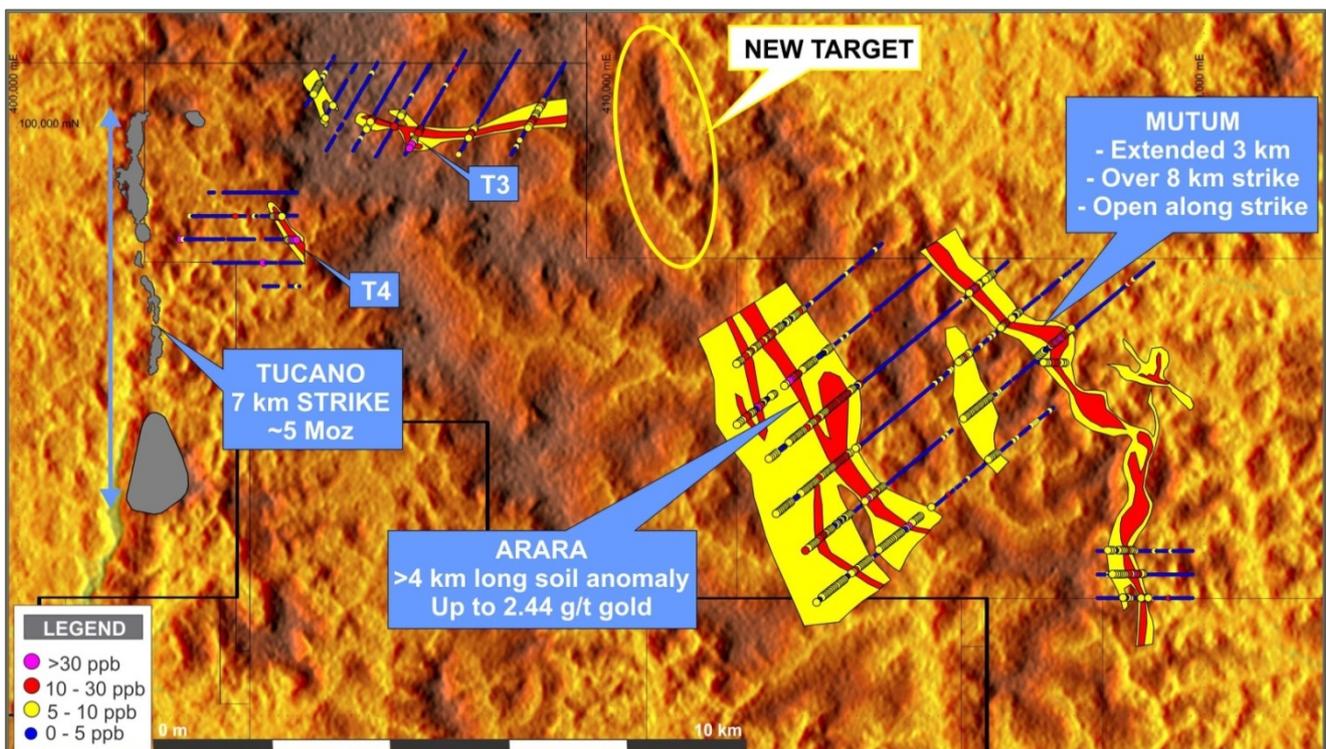


Figure 5. Tucano Regional Exploration showing location of new soil anomalies

<b>ASX Code: BDR</b>			
<b>Board of Directors</b>		<b>Senior Management</b>	
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
<b>Corporate Details</b>		<b>Head Office</b>	
Issued capital: 1,233,430,847 ordinary shares (as at 30 June 2017)		Level 2, 16 Ord Street West Perth 6005	
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### COMPETENT PERSON STATEMENT

The information is extracted from the report entitled “Beadell Extends Tucano Near Mine High Grade Gold Mineralisation Footprint” created on 26 June 2017 and is available to view on [www.beadellresources.com.au](http://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.