

HIGHLIGHTS

OPERATIONS

- **Gold Production** – Gold production for the September 2017 quarter was 28,764 ounces (21% increase on June 2017 quarter). Production for the December 2017 quarter is expected to be approximately 60,000 ounces as high grade material from the Tap AB complex is processed. Planned head grade for the December 2017 quarter is 2.2 g/t gold (Refer Graph 1).
- **Costs** – Cash costs for the September 2017 quarter were US\$1,176 per ounce. All-in Sustaining Costs (AISC)* for the September 2017 quarter were US\$1,264 per ounce (19% decrease from June 2017 quarter). Improved mine productivity and cost saving initiatives brought about an improvement in AISC per ounce from the June 2017 quarter. Further reductions in AISC per ounce are expected in the December 2017 quarter as higher-grade ores are mined as planned and gold sales significantly increase.
- **2017 Guidance** – It is expected that 2017 annual gold production will fall at the lower end of annual guidance (140,000 ounces - 150,000 ounces). As a result of high costs in the first half of 2017 mainly due to the negative impacts of a stronger than forecast Brazilian Real during the year, full year AISC per ounce for CY2017 is now expected to be in the US\$1,000 to US\$1,100 per ounce range.

CORPORATE

- **Gold Sales** – Gold sales for the September 2017 quarter totalled 28,298 ounces at an average cash price received of US\$1,287 per ounce.
- **Cash and Bullion** – Cash and bullion as at 30 September 2017 was A\$18.1 million (as at June 2017 was A\$38.3 million) (bullion valued at AUD/USD = 0.78 and US\$1,279 per ounce).
- **Outlook** – As grade increases with depth in the Tap AB complex, production is expected to be significantly higher in the next nine months. Consistency in head grade and production should result from the mine being fully optimised following the completion of the plant upgrade in mid-2018. The Company should see increasing free cash flow going forward which, coupled with continuing exploration success, underpins the long term creation of value for shareholders. It remains management's focus to build a sustainable long term business at Tucano.

EXPLORATION

- **Mutum** – The first diamond drill hole at Mutum confirmed the potential for a material gold mineralised system below the 8 km long geochemical anomaly, intersecting an approximate true width result of 5.6 m @ 5.17 g/t gold from 11.4 m including 1.6 m @ 16.58 g/t gold from 11.4 m. Mutum is 20km east of the Tucano CIL plant.
- **Neo East** – An exploratory blast hole traverse on the south eastern corner of Monkey Hill cutback, 50 m east of the Neo Lode has intersected 3 m @ 52.15 g/t gold from 12 m including 1 m @ 107.04 g/t gold from 14 to BOH in a new structure named Neo East.
- **Urso** – A new shallow oxide lode has been discovered 200 m north of the Tap AB open pit with results of 13 m @ 2.02 g/t gold from 1 m and 18 m @ 1.41 g/t gold from 18 m.
- **Torres** – Multiple shallow ore grade intercepts continue to be received along the > 1 km Torres zone with results of 10 m @ 4.4 g/t gold from 26 m, 27 m @ 1.18 g/t gold from 43 m and 9 m @ 2.14 g/t from 13 m.
- **Tap AB1 Trough** – Multiple lodes continue to be intersected in the AB1 Trough. Results include hole F02290 with 7 m @ 11.43 g/t gold from 32 m, 11 m @ 2.63 g/t gold from 139 m, 5 m @ 2.64 g/t gold from 208 m and 15 m @ 4.06 g/t gold from 225 m which has extended the Tap AB1 Trough Lode a further 40 m down plunge and is the first hole to reach the fresh rock mineralisation demonstrating the continuation of the ore zone into the primary host rock below the deep ~300 m oxide weathering trough.

*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%)

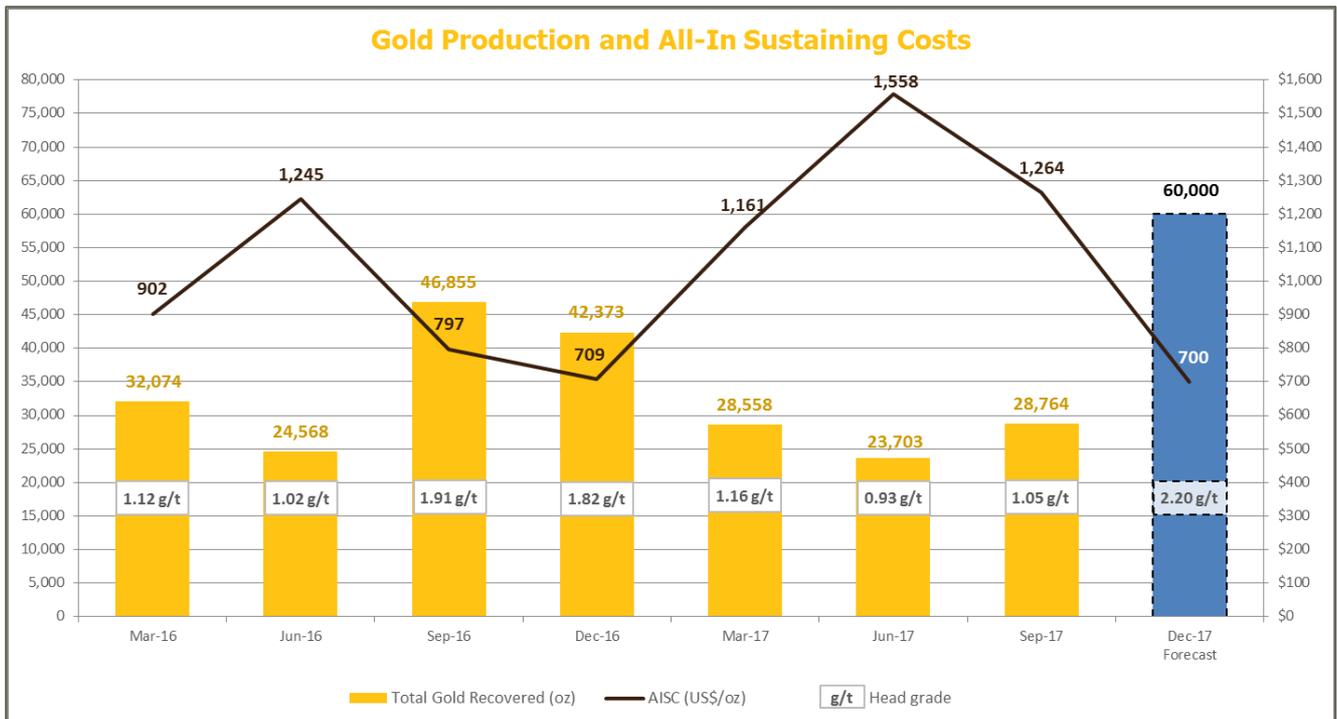
Production Summary	Unit	Sep 2017 Quarter	Sep 2016 Quarter	%	9M2017	9M2016	%
Total Waste Moved	tonne	5,609,819	3,800,258	48%	11,836,363	13,362,416	-11%
Gold Ore Mined	tonne	596,743	803,869	-26%	1,833,554	2,004,909	-9%
Total Material Moved	tonne	6,206,562	4,604,127	35%	13,669,917	15,367,325	-11%
Gold Ore Milled	tonne	964,609	864,119	12%	2,723,095	2,722,765	0%
Head Grade	g/t	1.05	1.91	-45%	1.05	1.34	-22%
Plant Recovery	%	88.3%	88.4%	0%	88.5%	88.2%	0%
Total Gold Recovered	ounce	28,764	46,855	-39%	81,025	103,497	-22%
Total Gold Sold	ounce	28,298	39,607	-29%	82,991	99,910	-17%

Cash Costs and All-In Sustaining Costs	Unit	Sep 2017 Quarter	Sep 2016 Quarter	%	9M2017	9M2016	%
On-Site Production Costs	US\$/ounce	1,107	646	71%	1,168	725	61%
On-Site G&A Costs	US\$/ounce	69	39	77%	67	44	52%
Cash Costs	US\$/ounce	1,176	685	72%	1,235	769	61%
Royalties	US\$/ounce	26	24	8%	25	23	9%
On-Site Corporate Costs	US\$/ounce	25	13	92%	31	14	121%
Exploration Costs (Sustaining)	US\$/ounce	2	23	-91%	1	32	-97%
Capitalised Stripping Costs (Sustaining)	US\$/ounce	27	42	-36%	9	91	-90%
Capital Expenditure (Sustaining)	US\$/ounce	8	10	-20%	12	10	20%
All-In Sustaining Costs*	US\$/ounce	1,264	797	59%	1,313	939	40%

* 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 September 2017 quarter totalled 28,764 ounces in line with the forecast for the quarter. The Tucano plant is reliant on oxide ore from the mine and low grade stockpiles until the current plant upgrade project is complete, which will allow the mine to be fully optimised for the first time, resulting in a much higher percentage of mill feed comprising higher grade sulphide ore. The low processed head grades for the first nine months of 2017 is a result of mining through the low grade cut-backs at the Tap AB complex (Refer Figure 2). It is expected that the next three quarters will have significantly higher grade oxide feed as the deeper parts of Tap AB are mined from the AB1 Trough, AB2 Trough and Carbonate Lodes. Following the completion of the plant upgrade in mid-2018, the mine will be able to be fully optimised with a substantial portion of mill feed being sourced from Urucum where the current open pit reserve is 10 million tonnes grading 1.70 g/t for 549,000 ounces. The plant upgrade is expected to be commissioned in mid-2018. For the December 2017 quarter and the first half of 2018, oxide ore grade is expected to be significantly higher than the first nine months of 2017 as mining accesses the higher grade Tap AB1 and AB2 Trough lodes.



Graph 1. Gold Production and All-In Sustaining Costs

Costs

As a result of higher mine productivity and cost saving initiatives beginning to take effect, the Company has reported an improvement in AISC per ounce. In particular, the Company is pleased to report a 25% decrease in mining unit costs as compared to the prior quarter. Further improvements in AISC per ounce are expected in the December 2017 quarter as the Company mines higher grade ores as planned and significantly increases gold production.

AISC reported continues to be negatively impacted by a strengthened Brazilian Real. The actual average Real/USD exchange rate for the year to September is 7% stronger than the annual consensus rate used in the annual cost guidance, resulting in an increase in reported AISC of approximately US\$90 per ounce. AISC per ounce for the year has also been affected by Brazilian Real fixed costs effectively being apportioned over lower than expected gold production for the year (as highlighted by the likely lower end of guidance range being achieved).

Accordingly, Beadell is amending its CY2017 AISC guidance to US\$1,000 to US\$1,100 as a result of a stronger than forecast Brazilian Real, higher than expected 1H2017 costs and lower than expected annual gold production.

Mining

In the September 2017 quarter, 596,743 tonnes of gold ore were mined, a decrease of 26% over September 2016 quarter but pleasingly 10% above mine plan for the quarter. Total material movement including stockpiles processed was 6,928,598 tonnes, an increase of 32% over the September 2016 quarter.

A second mining contractor commenced on site in July. A number of initiatives including truck cycle improvements, operating hours, availability of the equipment and establishment of an in pit dumping area for waste in the south end of Tap AB1 has helped improve mining efficiencies for the quarter. Material movement challenges experienced earlier in the year have been addressed and both mining contractors performance is improving. The contractors are operating well and importantly are working together as part of the overall Tucano team.

A new 9150 Liebherr excavator arrived at site and was successfully commissioned in late September. This will allow the required production rates for the December 2017 quarter to be achieved. The mine has showed a steady increase in productivity and is now set up to achieve the production targets for the December 2017 quarter.

Mining of higher-grades at Tap AB1 Trough Lode has commenced and will continue as deeper levels are reached in the December 2017 quarter. Higher grades have also started to be accessed in Tap AB2 Trough lode. These two areas will provide the majority of higher grade ounces for rest of the year.

Processing

During the September 2017 quarter, the CIL plant throughput was 964,609 tonnes, an increase of 12% over the September 2016 quarter, and the process plant recovery for the period was 88.3%, in line with the same period last year. The mill feed grade was 1.05 g/t gold, 45% lower than the same period last year.

During the first nine months, 2,723,095 tonnes of gold ore were milled with process plant recovery of 88.5%, both figures in line with the same period last year. The mill feed grade was 1.05 g/t gold, a decrease of 22% compared to the first nine months of 2016.

The processing plant has operated above plan for the quarter with a higher availability and has processed approximately 131,000 tonnes more of ore than planned. Improvements in maintenance practices have enabled a decrease in the frequency of plant shutdowns and improved availabilities. The mill availability for the quarter was excellent at 96% and year to date on plan at 94%.

During the quarter, the grid power has been increased to over 4 MW as part of the transition to a draw of approximately 12 MW of grid power over the next 12 months. The transition to grid power will reduce reliance on significantly more expensive diesel generated power to immaterial levels.

Total high grade and low grade gold ore stockpile ounces at the end of September 2017 reduced by 15% to 2.88 million tonnes @ 0.63 g/t for 57,800 ounces, whilst marginal stockpiles of 1.5 million tonnes @ 0.43 g/t for 21,000 ounces remained static. The reduction was principally due to the drawdown of spent ore and also high grade sulphide stockpiles at Urucum while stripping operations advanced at Tap AB. 0.48 million tonnes @ 0.70g/t for 10,800 ounces form part of the ROM expansion and are not included in the high and low grade ore stockpile total.

Tucano Plant Upgrade - Status

The upgrade of the Tucano processing plant is progressing well with no delays recorded to date. The project remains on time and on budget with commissioning expected in mid-2018.

CORPORATE & FINANCE

Gold Sales

Gold sales for the September 2017 quarter totalled 28,298 ounces at an average cash price received of US\$1,287 per ounce.

Cash & Bullion

Cash and bullion as at 30 September 2017 was A\$18.1 million (as at June 2017 was A\$38.3 million) (bullion valued at AUD/USD = 0.78 and US\$1,279 per ounce).

Debt

The Company made its scheduled Santander – Itaú repayment of US\$2.5 million and utilised proceeds of approximately US\$4 million from Brazilian working capital facilities during the quarter.

Capital and Exploration Expenditure

Non-sustaining capital expenditure for the quarter was A\$9.7 million, which was largely associated with the Tucano Plant Upgrade, construction of long term tailings storage facilities and hydro-electric grid power transition costs.

Non-sustaining exploration expenditure for the quarter was A\$2.2 million.

EXPLORATION

Exploration success continues to be experienced at Tucano with high grade results received from five separate areas of the 2,500km² Tucano land holding in the September 2017 quarter (ASX Announcement of 26 October 2017).

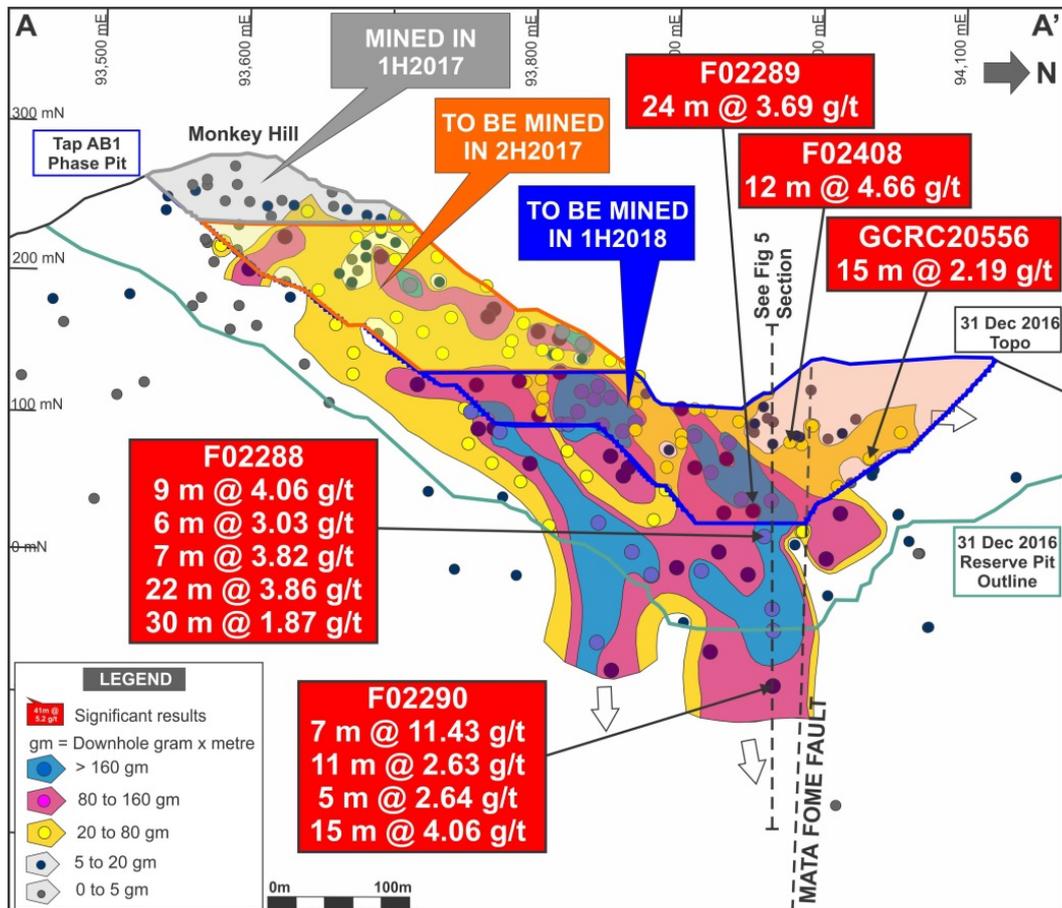


Figure 2. Tap AB1 Trough Lode longsection showing location on new drill results

A new high grade result was intersected in the schist at Neo East on the southern edge of the top of Monkey Hill located 50 m east of the Neo Lode (Figure 1).

- **GCPF29598 3 m @ 52.15 g/t gold from 12 m to BOH** **Neo East**
Inc 1 m @ 107.04 g/t gold from 14 m to BOH

A new shallow oxide lode was discovered at Urso, 200 m north of Tap AB3 open pit and within 1,500 m of the CIL plant (Figure 1).

- **FD01466 13 m @ 2.02 g/t gold from 1 m** **Urso**
- **FD01470 18 m @ 1.41 g/t gold from 18 m** **Urso**
4 m @ 1.92 g/t gold from 51 m **Urso**

At Torres, drill results continue to indicate a mineralised shear along the 1 km eastern BIF contact (Figure 1). Clearing and final access permitting is almost complete and it is expected that the bulk of the planned 4,000 m program at Torres will be finished over the year end period. New results include;

- **GCRC20376 10 m @ 4.40 g/t gold from 26 m** **Torres**
- **GCRC20377 27 m @ 1.14 g/t gold from 43 m** **Torres**
- **GCPF29496 9 m @ 2.14 g/t gold from 13 m** **Torres**
- **F02339 4 m @ 3.54 g/t gold from 76 m** **Torres**

Regional Exploration

The first diamond drill hole at Mutum, has confirmed the potential for a material gold mineralised system intersecting 5.6 m @ 5.17 g/t gold in a west dipping mineralised zone (Figure 3). The Mutum anomaly is 20 km east of the Tucano mill and comprises an 8 km soil anomaly that is interpreted to be hosted in a Banded Iron Formation unit (BIF). A second diamond hole is underway and the Mutum anomaly will be systematically drilled this quarter with a 5,000 m RC program and 1,000 m diamond drilling scheduled to be completed before year end.

- **FDMT0001 5.6 m @ 5.17 g/t gold from 11.4 m** Mutum
Inc 1.6 m @ 16.58 g/t gold from 11.4 m

Results from regional surface sampling programs have vectored towards the source of several substantial gold anomalies with the latest stream sediment sampling results highlighting the T3 target (Figure 3).

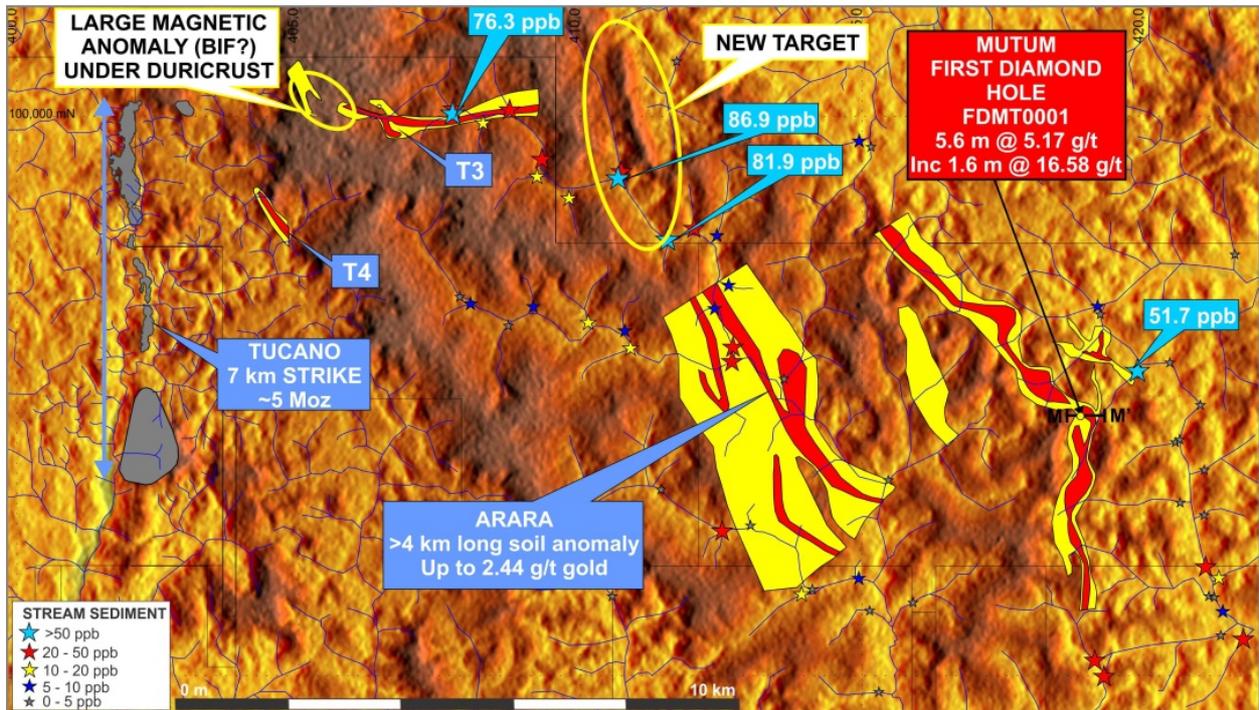


Figure 3. DTM Image with soil anomalies showing location of new Mutum drill and stream sediment results

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
		Luis Pablo Diaz	General Manager - Brazil
		Mike Robinson	Operations Manager
Corporate Details		Head Office	
Issued capital: 1,233,430,847 ordinary shares (as at 30 September 2017)		Level 2, 16 Ord Street West Perth 6005	
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COMPETENT PERSON STATEMENT

The information is extracted from the report entitled “Continuing Positive Exploration Results” created on 26 October 2017 and is 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.