

HIGHLIGHTS

OPERATIONS

- **Gold Sales and Production** – Gold sales and production for the June 2018 quarter were 24,248 ounces and 23,604 ounces respectively, in line with the same period last year. For the first six months of 2018, gold sales totalled 56,413 ounces and gold recovered totalled 49,989 ounces.
- **Costs** – Cash costs for the June 2018 quarter were US\$969 per ounce. All-in Sustaining Costs (AISC)¹ for the June 2018 quarter were US\$1,306 per ounce.
- **Mining Services Contract**
 - 22 June 2018: Beadell announced mutual agreement with MACA Limited (MACA) to terminate the Open Pit Mining Contract (Agreement) for the Tucano Gold Mine (Tucano). Under the terms of the Agreement, all amounts owing to MACA Limited were consolidated into a single A\$61 million loan, of which A\$58 million is now outstanding.
 - 16 July 2018: Beadell announced execution of a Life of Mine (LOM) mining contract with U&M Mineração e Construção S/A (U&M) that is forecast to result in ~US\$100 million reduction in the LOM mining costs for Tucano. Full mobilisation of U&M's fleet of excavators, trucks, ancillary and production drilling equipment is forecast for early November 2018.
- **Tucano Plant Upgrade (Project)** – Tucano site personnel have completed their initial assessment of the status of the Project since taking control from the contractor managing the plant upgrade, Harrier Project Management Pty Ltd (Harrier) on the basis of a repudiatory breach by Harrier of the contract between the Company and Harrier (Contract) (ASX release: 16 July 2018). An internal investigation has determined that Harrier may have breached its obligations under the Contract, including its obligations to perform all orders and directions of the Company's Board, its obligations to report to Tucano site personnel and instances of what the Company considers to be misconduct. A number of key issues have been identified in the management of the Project, including lack of procurement and engineering oversight and quality control, that have resulted in a delay to the Project. Beadell is currently considering its legal options regarding the results of its internal investigation. Completion of the ball mill is the key driver to process sulphide ore and is forecast for mid-September 2018. The Tucano plant will then be able to process up to 80% sulphide ore (versus the current limit of ~30% sulphide ore) with recoveries of ~88%. Staged completion of the rest of the project is forecast for early to mid-November and will increase overall recoveries to ~93%. Tucano personnel have adjusted the near term mine plan to focus on cash flow versus production, concentrating on exploitation of high grade oxide ore from Tap AB. The forecast sulphide blend does not reach more than 31% until November 2018 so the plant feed will not be impacted by the Project delay.
- **Guidance**
 - CY2018: Beadell has adjusted its CY2018 guidance to focus on cash flow versus production. CY2018 guidance is reduced from 145,000 to 155,000 ounces of gold with AISC between US\$1,100 to US\$1,200 per ounce to 125,000 to 135,000 ounces of gold with AISC between US\$1,000 to US\$1,100 per ounce. The reduction in AISC is predominantly due to the positive impact of forecast reduced mining costs under the U&M contract.
 - CY2019: 2019 is a pivotal year for Beadell as Tucano will be fully optimised for the first time with a plant capable of processing any combination of sulphide/oxide ore and an experienced Brazilian mining contractor with the in-country expertise and fleet flexibility to deliver budgeted material movement to plan. Forecast CY2019 gold production is 160,000 to 165,000 ounces of gold, making Tucano the third largest primary gold mine in Brazil. AISC are forecast to decline from current levels due to ~BRL\$80 million/year reduction in mining costs, combined with other cost reduction initiatives that have occurred and are planned.

¹ AISC has been calculated in accordance with the World Gold Council's Guidance Note on Non-GAAP metrics released 27 June 2013.

CORPORATE

- **Gold Sales** – Gold sales for the June 2018 quarter totalled 24,248 ounces at an average cash price received of US\$1,304 per ounce.
- **Cash and Bullion** – Cash and bullion as at 30 June 2018 was A\$25.6 million (as at 31 March 2018 was A\$10.7 million) (bullion valued at AUD/USD = 0.74 and US\$1,254 per ounce).
- **Management and Board Changes** – During the June 2018 quarter, Aoife McGrath joined as the Head of Exploration & Geology. Post the end of quarter, the Board of Directors of Beadell announced that Dr Nicole Adshead-Bell, a non-executive director of Beadell, replaced Simon Jackson as CEO and Managing Director of the Company. Additional changes included Peter Holmes stepping down as Chief Operating Officer (COO) and Brant Hinze assuming the role of Chairman, replacing Craig Readhead who remains a non-executive director (ASX Release: 16 July 2018).
- **Toronto Listing Update** – On 26 June 2018, the Company announced it had entered into a non-binding Letter of Intent with Ring The Bell Capital Corp (RTB) (TSX-V:RTB.P) to pursue discussions for a business combination with RTB. The prior agreement executed with Golden Harp Resources Inc. (TSX-V:GHR.H) was mutually terminated.
- **Capital Raising** – On 7 May 2017, the Company announced a capital raising via a Placement of Equity (shares and warrants) and Convertible Debentures and a Share Purchase Plan (SPP). The Placement was completed on 28 June 2018 via two tranches and the SPP on 11 July 2018. Beadell raised a total of approximately A\$31 million.²

EXPLORATION

- The short term (~6 month) plan for regional exploration is consolidation and organisation of all data to allow a thorough period of data mining and target ranking before building a systematic exploration plan for the next 3-5 years. A full review of all exploration assets, data, procedures, requirements, plans and budgets is underway.
- Short term in- and near-mine exploration planning has begun. This is being driven by the 2018 resource-reserve update. Medium to longer term planning has also started, and will involve systematic review, ranking and exploration planning for the in- and near-mine targets.
- **Tap AB1 Trough Lode** – Infill drilling confirmed the grade tenor and width of multiple high-grade shoots. Key intercepts are **15m @ 27.23 g/t gold**, **30 m @ 5.08 g/t gold**, **16 m @ 8.87 g/t gold** and **11 m @ 12.67 g/t gold**. Additional infill drilling is planned for the second half of 2018. Higher grade mineralization is forecast to be mined in late 2018.
- **Urucum** – Recent results indicate that gold mineralisation may be continuous between two reserve pits, Urucum North and Central, with **12m @ 22.5g/t gold** and **4 m @ 6.14 g/t gold** intersected in the saddle between them. If mineralisation is continuous, it could have a significant impact on the economics of the Urucum Pits and is an immediate exploration focus.
- **Neo Structure** – A discovery was made in the Tap AB reserve pit along the north-northeast trending Neo Structure, called the Neo North Lode, 80 m the east of Tap AB1 with drill intercepts of up to **8 m @ 4.90g/t gold**. This new lode is in the very early stages of exploration, currently measures 150 m by 250 m, consists of oxide, transition and sulphide material, dips at ~80 degrees to the west and is still open down plunge and along strike.
- **Torres** – Resource delineation drilling continued to demonstrate open pit oxide potential with intercepts including **14 m @ 4.32 g/t gold** and **13 m @ 2.28 g/t gold**. Exploration permitting is ongoing with additional drilling planned for late 2018/early 2019.
- **Regional** – Near mine exploration resulted in the discovery of a large geochemical anomaly 6 km north-east of Urucum, called Saraminda. Stream sediment sampling identified anomalous gold (up to 0.56 g/t gold) over an 80 km² catchment area. To date, Beadell has identified 10 surface geochemical anomalies within 20 km of the Tucano plant. All of these anomalies remain undrilled.

² Assuming an AUD:USD exchange rate of \$0.7546

OPERATIONS

TUCANO GOLD MINE (100%)

Production Summary	Unit	Jun 2018 Quarter	Mar 2018 Quarter	%	Jun 2017 Quarter	%	1H2018	1H2017	%
Total Waste Moved	t	4,229,751	5,866,219	-28%	3,517,041	20%	10,095,970	6,226,544	62%
Gold Ore Mined	t	415,462	634,215	-34%	615,075	-32%	1,049,677	1,236,811	-15%
Total Material Moved	t	4,645,214	6,500,433	-29%	4,132,116	12%	11,145,647	7,463,355	49%
Gold Ore Milled	t	887,630	879,907	1%	895,948	-1%	1,767,537	1,758,486	1%
Head Grade	g/t	0.95	1.06	-10%	0.93	2%	1.00	1.04	-4%
Plant Recovery	%	87.0%	88.0%	-1%	88.5%	-2%	87.5%	88.7%	-1%
Total Gold Recovered	oz	23,604	26,386	-11%	23,703	0%	49,989	52,261	-4%
Total Gold Sold	oz	24,248	32,165	-25%	24,217	0%	56,413	54,693	3%

Cash Costs and All-In Sustaining Costs	Unit	Jun 2018 Quarter	Mar 2018 Quarter	%	Jun 2017 Quarter	%	1H2018	1H2017	%
On-Site Production Costs	US\$/oz	899	789	14%	1,418	-37%	836	1,199	-30%
On-Site G&A Costs	US\$/oz	70	66	6%	74	-5%	68	67	1%
Cash Costs	US\$/oz	969	855	13%	1,492	-35%	904	1,266	-29%
Royalties	US\$/oz	33	33	0%	23	43%	33	24	38%
On-Site Corporate Costs	US\$/oz	43	42	2%	39	10%	42	34	24%
Exploration Costs (Sustaining)	US\$/oz	-	7	-%	-	-%	4	-	-%
Capitalised Stripping Costs (Sustaining)	US\$/oz	258	260	-1%	-	-%	259	-	-%
Capital Expenditure (Sustaining)	US\$/oz	3	7	-57%	4	-25%	5	14	-64%
All-In Sustaining Costs*	US\$/oz	1,306	1,204	8%	1,558	-16%	1,247	1,338	-7%

* 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 production in the June 2018 quarter totalled 23,604 ounces, in line with the June 2017 quarter. Gold production for the first six months of 2018 totalled 49,989 ounces, a reduction of 4% over the same period in 2017. This was due to a 15% decrease in gold ore mined, 4% decrease in processed grade and 1% drop in recovery offset by a 1% increase in processed tonnes. Comparing the June 2018 quarter to the March 2018 quarter, production was down by 11%. This was due to a 34% reduction in gold ore mined, which was offset by low grade stockpiles resulting in a 10% grade decrease.

Costs

Reported AISC per ounce for the June 2018 quarter increased 8% from the March 2018 quarter. The increase in reported AISC per ounce is due to the negative impact of lower gold ore tonnes mined, resulting in lower gold production and negatively impacting gold sold this quarter.

The Company has implemented a number of cost reduction initiatives and has established a near term cost reduction strategy. For further details, refer to the ASX announcement named "Management and Board restructuring, U&M LOM contract executed with forecast US\$100M reduction in LOM mining costs, additional cost reduction measures implemented", dated 16 July 2018.

Mining

In the June 2018 quarter, 415,462 tonnes of gold ore was mined, a decrease of 32% over the June 2017 quarter. Total material movement was 4,645,214 tonnes, an increase of 12% over the June 2017 quarter. The decrease in gold ore mined resulted from the deferral of 2017 budgeted waste tonnes into 2018, resulting in “catch up” of waste in the first half of 2018. Mining productivity was impacted by the wet season (Chart 1) and the termination of the MACA Agreement in the third week of June.

During the first six months of 2018, 1,049,677 tonnes of gold ore were mined, a decrease of 15% over the same period in 2017. Total material movement was 11,145,647 tonnes, an increase of 49% compared to the same period last year due to the addition of a second mining contractor (U&M) in 2H17 (Chart 1).

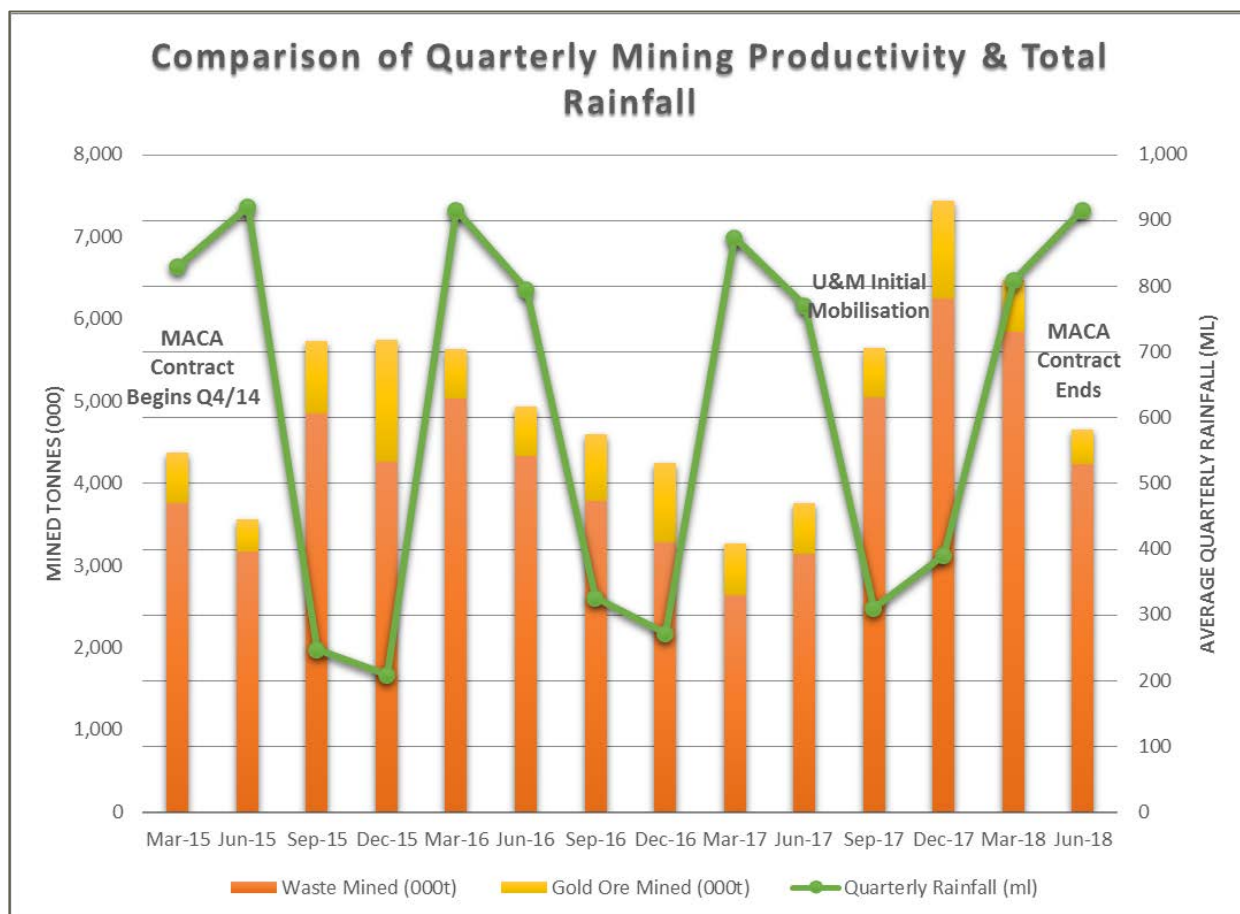


Chart 1. Comparison of quarterly movement and average rainfall

Processing

During the quarter, CIL plant throughput was 887,630 tonnes, an increase of 1% over the June 2017 quarter and the process plant recovery for the period was 87.0%. The mill feed grade was 0.95 g/t gold, 10% lower than the same period last year due to lower than forecast production in Tap AB resulting from delayed mobilization of the U&M mining fleet in 2017.

The Tucano plant continues to perform well with tonnes processed in line with the plan for quarter.

Mining Services Contract

On 22 June 2018, the Company announced that it had reached a mutual agreement with MACA to terminate the Open Pit Mining Contract for the Tucano Gold Mine. MACA ceased mining services immediately.

Under the Agreement, all amounts owing to MACA by Beadell were consolidated into one loan with an initial payment of A\$3 million due following closing of the capital raising completed on 28 June 2018, a further payment of A\$3 million is due 31 March 2019 and then monthly payments of A\$1.5 million commencing 1 July 2019 until the loan is repaid or 30 June 2022, whichever is the earlier. The outstanding loan amount is ~A\$58 million and has interest payable quarterly at a rate based on the Reserve Bank of Australia cash rate plus 5% per annum.

Beadell agreed to work with MACA to seek to put in place subordinated security arrangements for the loan, subject, among other things, to receipt of appropriate consents from existing financiers.

On 16 July 2018, Beadell announced that it had executed a LOM mining contract with U&M that is expected to result in a forecast ~US\$100 million reduction in the LOM mining costs for Tucano. Under the agreement, U&M will be paid on a 100% volume basis contract that will give mining unitary cost predictability, simplifying the contract, mine management and administration. This is expected to result in an additional ~US\$1 million annual cost savings when compared to the previous contractor.

U&M is Brazil's largest mining contractor, with more than 40 years of experience in earthworks, mining and material hauling. U&M's 600 vehicle fleet, comprising production and support equipment, has the capacity to move more than 30 million tonnes per month. U&M's existing clients include Vale, Alcoa, Mosaic, Yamana, Leagold Mining and Equinox Gold.

Tucano Plant Upgrade Project

The Project encompasses four key areas that will increase sulphide ore processing capacity and was designed with individual work fronts in the plant area that would result in minimal disruption to operations and decrease shut downs. The most important of these is the addition of the ball mill, as sulphide ore requires an optimal grind size of P80 of 75 microns for gold liberation. The current feed blend is ~30% sulphide ore and ~70% oxide ore. After completion of the ball mill the sulphide blend can increase to 80% sulphide ore.

1. **Ball Mill:** Achieves the optimal grind of P80 of 75 microns for up to 80% sulphide ore versus the current grind sizes of 120 to 150 microns for a maximum of 33% sulphide ore using the existing SAG mill. This results in combined sulphide and oxide ore recoveries of ~88% at a sulphide blend of up to 80% sulphide.
2. **Pre-Leach Thickener:** Ensures consistent densities through the leach circuit during cyanide addition resulting in increased leaching efficiency.
3. **Leach Tank:** Increases residency time by three hours. This will help maintain the current adsorption retention times of approximately 24 hours. However, bottle roll tests demonstrate that the finer grind results in recoveries that are almost complete in 12 to 14 hours.
4. **Oxygen Plant:** Required when the sulphide blend is predominantly sulphide as air and oxygen sparging test-work demonstrates little difference in the recovery of oxide ore between air and pure oxygen injection.

In summary, bottle roll test work demonstrated that just with the ball mill the plant will be able to process up to 80% sulphide ore at recoveries of ~88%. The addition of the pre-leach thickener, extra leach tank and oxygen plant will sequentially increase recoveries by ~5% to 93% when the ore blend is dominantly sulphide.

Site personnel estimate that Project completion will not occur in mid-2018 as previously guided due to various issues identified during the Company's internal investigation following the termination of the contract with Harrier. The key issues identified to date are lack of procurement and engineering oversight resulting in delays in design and manufacturing of key equipment, delays in piping and electrical procurement, quality control issues including substandard electrical works that require modification and delays in selecting the shipping method of key equipment. Total cost to complete the Project is under review, however initial estimates indicate an additional ~US\$2 to US\$4 million increase from the original budget of US\$28 million (ASX Release: 11 May 2017).

1. **Ball Mill:** Physical installation is complete. Key outstanding areas include the oil water sump, mechanical piping and electrical. Construction completion and commissioning is forecast for mid-September 2018. Completion of the ball mill will increase sulphide processing capacity to 80% at ~88% recoveries (Figures 1, 2 and 3).
2. **Pre-Leach Thickener:** The external structure is complete. Remaining areas include fabrication of feed tank and support structure and installation; concrete supports for piping and cable tray installation of Flocculant preparation and dosing plant; mechanical pumps and piping, and electrical. Construction completion and commissioning is forecast for early-November 2018 (Figures 4 and 5).

3. CIL Tank: External construction is complete. Remaining areas include top of tank steelwork and platform assembly, installation of internal tank baffles, installation of agitator assembly, installation of intertank screen support structure and associated electrical works. Construction completion and commissioning is forecast for late-October 2018 (Figures 6 and 7).
4. Oxygen Plant: The plant is containerized and ready to be shipped. Remaining areas include plant installation upon arrival to Tucano, mechanical installation of compressors, piping and electrical. Installation and commissioning are forecast for early-November 2018 (Figure 8).



Figure 1. Ball mill – feed end



Figure 2. Ball Mill – Installation of rubber lining system completed



Figure 3. View to grinding section of plant showing ball mill in foreground and SAG in background



Figure 4. Pre-Leach Thickener – external construction completed



Figure 5. Pre-leach Thickener under flow and pumps



Figure 6. CIL Tank - erection completed

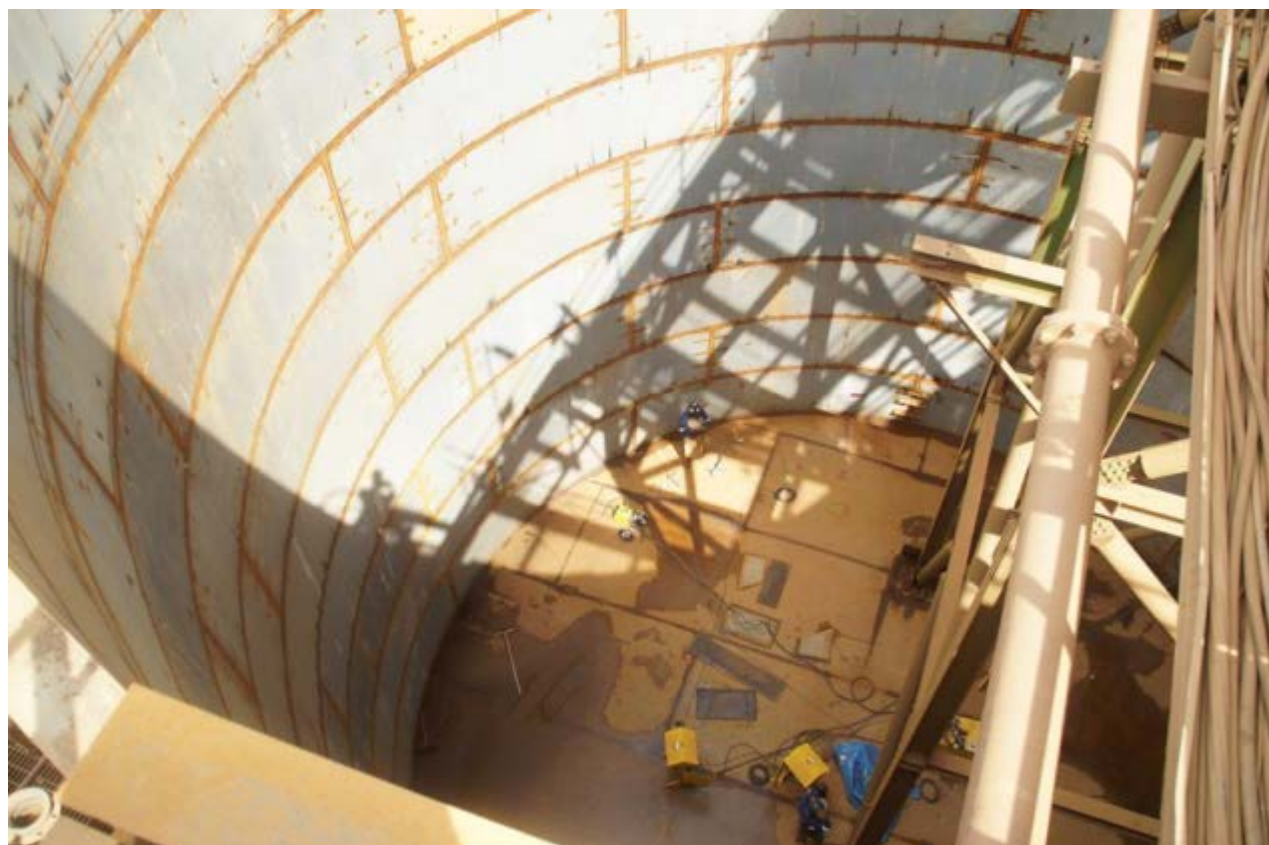


Figure 7. Inside CIL Tank



Figure 8. Oxygen Plant – Concrete Pad Completed

Tucano site personnel have reviewed the mine plan for the remainder of 2018 in the context of the timing of the ball mill commissioning and staged commissioning of the pre-leach thickener, CIL tank and oxygen plant based on maximizing free cash flow over production (Table 1). This mine plan is based on a detailed analysis of U&M mobilisation to site (Table 1) and the use of equipment that Beadell was obligated to purchase from MACA under the Agreement.

The predominantly sulphide Urucum pit will be owner operated using the 100% owned Beadell fleet of a Liebherr 9250 excavator (with 15m³ bucket capacity), three 100t Caterpillar 777s and three Volvo A35 30t trucks until U&M is fully mobilised to site (Figure 9).

U&M mining efforts are focused on the high-grade predominantly oxide TAP AB pit to increase material movement in line with the mobilisation schedule and onset of the dry season and offset the impact of the delay in the Project. U&M has been working with the Company to ensure mobilisation of key equipment to facilitate higher mining rates at TAP AB. A third excavator was operational at TAP AB as of 20 July 2018 and material movement rates have increased accordingly (Figure 10). Productivity should improve significantly from August to December concurrent with the onset of the dry season where the average rainfall is 105ml/month versus 274ml/month in the wet season (Table 1).

Tucano Operations H2/18 Schedule	Jul	Aug	Sep	Oct	Nov
U&M Mobilisation (% Completion)	56%	77%	80%	97%	100%
Excavators	61%	71%	71%	100%	100%
Truck	58%	74%	74%	94%	100%
Ancillary	60%	83%	83%	100%	100%
Production Drilling	40%	80%	100%	100%	100%
Average Rainfall (ml)	194	104	63	77	38
Tucano Plant Forecast Sulphide Blend (%)	18%	27%	31%	30%	45%
Plant Upgrade Schedule			Ball Mill		CIL/PLT/OP*

*CIL: CIL tank, PLT: pre-leach thickener; OP: oxygen plant



Figure 9. Excavator operating at Urucum



Figure 10. Three U&M Excavators operating at TAP AB

CORPORATE & FINANCE

Gold Sales

Gold sales for the June 2018 quarter totalled 24,248 ounces at an average cash price received of US\$1,304 per ounce.

Cash & Bullion

Cash and bullion as at 30 June 2018 was A\$25.6 million (as at 31 March 2018 was A\$10.7 million) (bullion valued at AUD/USD = 0.74 and US\$1,254 per ounce).

Non-Sustaining Expenditure

Non-sustaining capital expenditure for the quarter was A\$11.3 million, which was largely associated with the Tucano Plant Upgrade and mine infrastructure. Non-sustaining exploration expenditure for the quarter was A\$1.8 million.

Costs associated with the termination of the MACA mining services contract were A\$4.7 million. These costs were in relation to termination fees, demobilisation costs and employee termination costs.

Capital Raising

On 7 May 2018, the Company announced it had received commitments to raise approximately US\$23 million³ through the placement of equity (shares and warrants) and convertible debentures to international institutional and sophisticated investors (Placement), with strong support from its major shareholders.

The Placement was completed in two tranches:

- Tranche 1 – Placement of 73.8 million fully paid ordinary shares (Shares) and 55.4 million attaching warrants (Warrants) at an issue price of \$0.083 per Share, and US\$3.7 million in convertible debentures (Debentures) on 18 May 2018, which was not subject to shareholder approval and fell within the Company's placement capacity under ASX Listing Rule 7.1; and
- Tranche 2 – Placement of 136.2 million shares and 102.1 million warrants at an issue price of \$0.083 per Share, and US\$6.3 million in convertible debentures, which was issued on 28 June 2018, following shareholder approval at a general meeting of shareholders held on 25 June 2018.

In addition to the Placement, the Company offered eligible shareholders the opportunity to participate in a Share Purchase Plan (SPP) at \$0.07⁴ per share. The SPP shares were issued on 11 July 2018. Beadell raised a total of approximately A\$31 million.²

Management and Board Changes

On 16 July 2018, the Board of Directors of Beadell announced that Simon Jackson, CEO and Managing Director, and a director of the Company, and Peter Holmes, Chief Operating Officer, had agreed to step down from their positions.

Dr Nicole Adshead-Bell (Ph.D., Geology), a non-executive director of Beadell since September 2016, was appointed CEO and Managing Director of the Company.

Luis Pablo Diaz (B.Sc., Engineering), currently General Manager of the Tucano Gold Mine (Tucano) and a director of the Company's subsidiary, Beadell Brasil Ltda, assumed the role of Country Manager.

Fábio Marques (B.Sc., Geology; MBA), currently Tailings Dam Manager of Tucano, assumed the role of General Manager, replacing Luis Pablo Diaz.

Aoife McGrath (M.Sc. Mineral Exploration) joined the Management Team as the new Head of Exploration & Geology.

As part of the Company's commitment to becoming a North American-based gold producer, Brant Hinze, who was a director of Beadell and resides in the United States, assumed the role of Chairman. Craig Readhead

³ Assuming an AUD:USD exchange rate of \$0.7546

⁴ Representing a 16% discount to the volume weighted average price of Beadell shares over the 5 days before it requested a trading halt on 26 April 2018. The offer price was approximately the same as for the offer price under the equity placement, adjusted for the estimated value of the three quarter warrant (estimated using a Black-Scholes methodology (volatility set at 35%))

stepped down from his role as Chairman but remains a non-executive director. Beadell's non-executive directors are now Brant Hinze, Timo Jauristo and Craig Readhead.

EXPLORATION

In the June 2018 quarter, 25,534 m of drilling was completed. This comprised 16,242 m of grade control reverse circulation (RC) drilling, 580 m of Rotary Air Blast (RAB) grade control drilling, 6,620 m of exploration/resource delineation RC drilling and 2,092 m of RAB exploration drilling.

MINE LEASE EXPLORATION

Tap AB1 Trough Lode

Infill drill results from the Tap AB1 Trough Lode (Figure 11) confirmed the high-grade tenor and width of the shoots with the following intercepts (ASX release: 21 May 2018):

- GCRC20877: 15 m @ 27.23 g/t gold from 29 m (including 1 m @ 344.24 g/t),
- F02576: 5 m @ 5.18 g/t gold from 15 m,
30 m @ 5.08 g/t gold from 27 m,
7 m @ 4.84 g/t gold from 59 m and
38 m @ 3.20 g/t gold from 112 (to BOH)
- F02497: 11 m @ 12.67 g/t gold from 38 m,
17 m @ 5.52 g/t gold from 50 m and
18 m @ 3.25 g/t gold from 98 m

These shoots are currently being mined, although most of the material moved to date has been from the upper sections of the lodes, which are relatively lower grade compared to the central and lower parts. The higher-grade sections are forecast to be mined from August 2018.

Torres

Resource delineation drilling at Torres (Figure 11), in the south of the mine lease, continued to demonstrate open pit oxide potential with results of:

- GCRC2161: 14 m @ 4.32 g/t gold from 65 m
- GCRC21609: 13 m @ 2.28 g/t gold from 46 m
- GCRC21609: 11 m @ 4.55 g/t gold from 31 m

Along with all near-mine exploration targets, Torres is undergoing a complete review at the moment and further exploration plans will be designed and implemented according to priority.

Urucum

The near-term upgrade of the Tucano plant and increased flexibility to process sulphide ore have refocused exploration efforts at the predominantly sulphide Urucum deposit due to the sizable open pit reserve, low strip ratio and relatively higher grades. Drill testing the concept that gold mineralisation extends, through the saddle between the Urucum North and Urucum Central reserve pits (Figure 11) resulted in immediate success with multiple high-grade gold intercepts up to 10 times the Urucum open pit reserve grade intersected. F02509 intersected **12 m @ 22.5 g/t** gold from 102 m to bottom of hole (BOH), including **1 m @ 122.97 g/t** gold from 109 m, demonstrating potential to link the two pits and ultimately increase the reserves at Urucum. An additional hole (F02510) drilled immediately to the south intersected **4 m @ 6.14 g/t** gold from 128 m to BOH. These results are from an area where gently dipping unmineralised pegmatite sills cross-cut the steeply dipping ore shoots. These results demonstrate potential for high grade gold mineralisation above and below the pegmatite, which is significant for exploration planning.

The results also indicate that gold mineralisation may extend between the two deposits. If mineralisation is continuous through the saddle between the pits, it could have a significant impact on pit shape, strip ratio and potential depth of ore that can be accessed. These results therefore provide an immediate area of exploration focus.

Neo North Discovery

The Neo North discovery (Figure 11), located 80 m east of the TAP AB1 Trough lode and within the reserve pit outline, has near surface gold mineralisation with multi-metre intersects at or above the Tucano reserve grade. These include:

- GCRC21210: 10 m @ 4.08 g/t gold from 7 m,
- F02501: 8 m @ 4.90 g/t gold from 64 m and
- GCRC21649: 13 m @ 1.61 g/t gold from 11 m

Neo North was a blind discovery but is likely the northern extension of the Neo Lode 300 m to the south (Figure 11). Exploration at Neo North is in the very early stages and it remains open along strike and at depth. Additional infill and step out drilling are planned for the remainder of 2018 and through 2019.

A recent large step out hole (FD01463) was drilled from the lower western slopes at the base of the Tap AB open pit to test the down-dip/plunge continuity of the Tap AB and Neo Lodes. This hole intersected gold mineralisation on the Carbonate Lode (2 m @ 4.76 g/t gold from 121 m), the TAP AB1 Trough Lode (2 m @ 1.42 g/t gold from 448 m) and the Neo Lode (6 m @ 2.23 g/t gold from 661 m). The nearest up-dip intersection in the Neo Lode is approximately 500 m up-dip and clearly demonstrates its untested potential. The discovery of the Neo North and Neo lodes are considered key as:

- Neo North is located to the north of the Mata Fome Fault, which was previously interpreted to displace mineralisation and therefore limited exploration has been conducted to the north of the fault (Figure 11).
- The Neo and Neo North lodes are hosted in schist and not in banded iron formation (BIF), which was previously thought to be the host for all gold. This is evolving into an important new mineralisation style at Tucano given the volume of schist on the mine lease. It will be the subject of considerable review and analysis, with further drilling planned as appropriate.
- The Neo North Lode discovery demonstrates the potential at Tucano to find additional gold mineralisation, even within the reserve open pit limits.

Mining of the Tap AB1 Trough Lode cutback has reached Neo North Lode and will provide additional incremental, non-reserve oxide ore to the mill through the remainder of 2018.

REGIONAL

Saraminda

During the Quarter, Beadell's regional exploration efforts continued to focus on a 20 km radius around the Tucano plant. The Company's stream sediment sampling program identified a large geochemical anomaly covering an 80 km² drainage catchment area 10 km northeast of the Tucano plant. The new Saraminda anomaly forms part of the Serra da Canga plateau with peak stream sediment results of up to 576 ppb (0.576g/t) gold. Fifteen stream sediment locations had values greater than 100 ppb (0.1 g/t) gold versus a background of <10 ppb.

Reconnaissance geological mapping identified Tucano-like stratigraphy at Saraminda, including intercalated BIF, carbonates, calc-silicates, meta-clastics and mafic meta-volcanics. The source of the Saraminda anomaly is yet to be identified, but initial results are encouraging. As part of the full review currently underway, this target will be ranked, and follow-up exploration planned over the next six months.

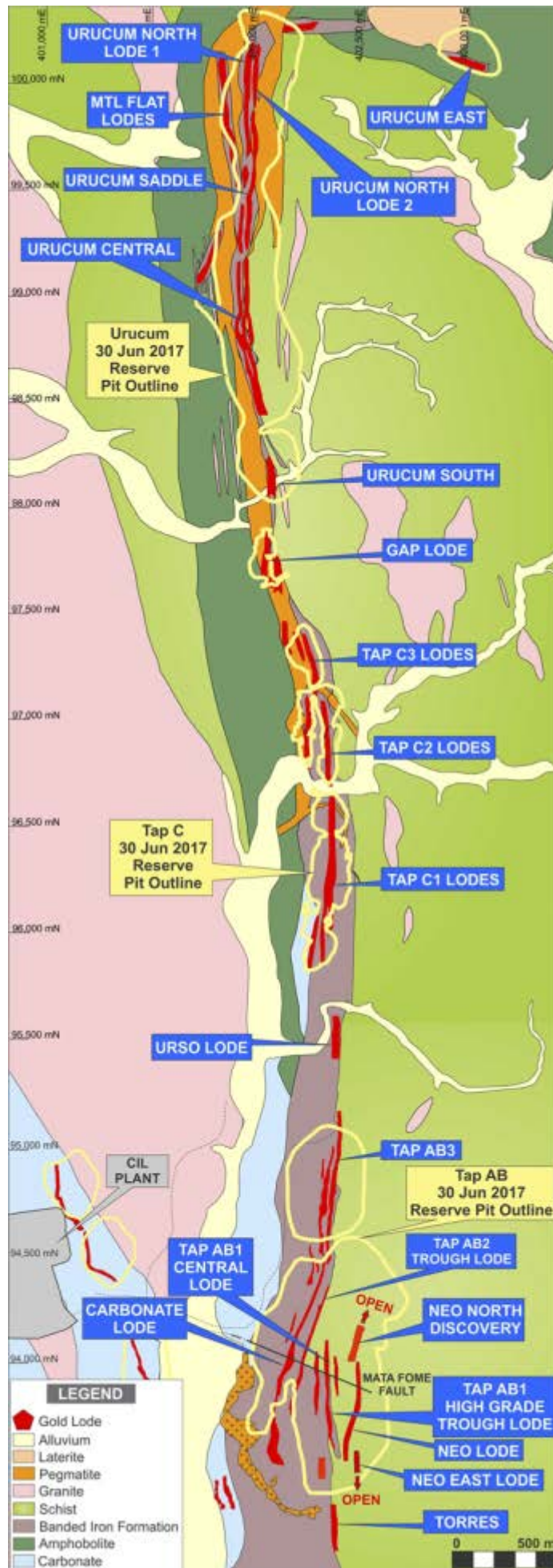


Figure 11. Map showing relative locations of Tucano reserve pits and new discoveries

ASX Code: BDR			
Board of Directors		Senior Management	
Brant E. Hinze	Non-Exec. Chairman	Nicole Adshead-Bell	CEO & Managing Director
Nicole Adshead-Bell	CEO & Managing Director	Greg Barrett	CFO / Company Secretary
Craig Readhead	Non-Exec. Director	Graham Donahue	Head of Corp. Develop.
Timo Jauristo	Non-Exec. Director	Aoife McGrath	Head of Exploration & Geology
		Luis Pablo Diaz	Country Manager - Brazil
		Julio Cesar Carneiro	Finance Director - Brazil
Corporate Details		Head Office	
Issued capital: 1,455,291,196 ordinary shares (as at 31 July 2018)		Level 2, 16 Ord Street, West Perth 6005	
ABN 50 125 222 291		PO Box 542, West Perth 6872	
www.beadellresources.com.au		Tel: +61 8 9429 0800	
		Fax: +61 8 9481 3176	
For further details			
Nicole Adshead-Bell	Toronto, Canada	Greg Barrett	Perth, Australia
Graham Donahue			
Tel: +1 647 775 8439		Tel: +61 8 9429 0800	

COMPETENT PERSON STATEMENT

The information is extracted from the reports entitled “Interim Ore Reserve and Mineral Resource Update as at 30 June 2017” created on 19 December 2017, “Tap AB Continues to Demonstrate High Grade Shoots” created on 21 May 2018 and “Two New Gold Discoveries at Tucano” created on 23 May 2018 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.