ASX ANNOUNCEMENT **8 January 2015**
ASX Code: BDR

DUCKHEAD NEAR MINE EXPLORATION UPDATE

- **RC drilling of the Duckhead Main Lode at the base of the open pit has intersected significant gold mineralisation extending beneath the current open pit limits. Gold results include;**

FVM514	**28 m @ 266.8 g/t including 1 m @ 6,844.6 g/t**
FVM515	**53 m @ 47.4 g/t including 1 m @ 1,218.5 g/t**
FVM511	**16 m @ 57.7 g/t including 7 m @ 126.9 g/t**
FVM510	**23 m @ 36.9 g/t including 4 m @ 197.6 g/t**
FVM508	**14 m @ 25.9 g/t including 1 m @ 294.5 g/t**

A potential cutback at Duckhead is being evaluated to extract 35-45,000 ounces of gold and is likely to be completed in the 2015 dry season between July and December. Importantly, the current guidance of ~180,000 ounce production in 2015 does not include a potential cutback on the Duckhead Main Lode.

- Systematic auger drilling over the Duckhead Mine Corridor has discovered a significant new near surface gold anomaly at Goosebumps located 500 m east of Duckhead, where auger gold results of up to 1.4 g/t bottom of hole and up to 13.5 g/t is present in a subsequently re-assayed iron ore diamond hole.

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Beadell Resources Limited ("**Beadell**" or "the **Company**") is pleased to announce highly encouraging new drill results from the Duckhead Near Mine area (Figures 1, 2 & 3, Table 1). Infill RC gold drill results from the Duckhead Main Lode of up to **28 m @ 266.8 g/t including 1 m @ 6,844.6 g/t** extend beneath the current pit limits, highlighting the potential for an additional open pit cutback at Duckhead Main Lode.

Further drilling will be completed on the Main Lode shortly prior to a detailed evaluation of a cutback to the current open pit on the Main Lode. The current Main Lode open pit will be completed by mid-January and a cut back on the Main Lode will only be contemplated in the 2015 dry season (July to December). The Main Lode cut back is not included in the 2015 guidance of ~180,000 ounces to be produced from the Tucano Mine Corridor open pits.

Mining of the Hangingwall Lode open pit will continue until the end of January and then likely recommence in the 2015 dry season once the Main Lode cutback is optimised and designed in conjunction with the adjoining Hangingwall open pit.

Preliminary analysis of a modest cutback based on the existing results from the Main Lode suggests in the order 3-4 Mt of waste removal to liberate 35-45,000 ounces of gold. Due to the orientation and location of the south west dipping / west plunging lode, a majority of the waste material to be removed from the cutback would be high grade friable iron ore subject to cost recovery agreements in place with Zamin.

In addition, systematic auger drilling along the 6 km Duckhead Mine Corridor has identified a significant new gold anomaly named Goosebumps located 500 m east of the Duckhead open pit. Auger results up to 1.4 g/t bottom of hole and up to 13.5 g/t in re-sampling of a nearby iron ore diamond hole highlight the potential for a new, near surface high grade Duckhead style lode.

Duckhead Main Lode – Drill results up to 28 m @ 266.8 g/t open below the current pit limits

A series of fanned RC drill holes were completed from the base of the Duckhead open pit aiming to define the magnitude and continuity of the western extension of the Main Lode at the base of the current open pit. The drilling intersected wide zones of extremely high grade gold mineralisation extending outside of the current open pit limits with results including;

FVM508 **14 m @ 25.9 g/t including 1 m @ 294.5 g/t**

FVM510 **23 m @ 36.9 g/t including 4 m @ 197.6 g/t**

FVM511 **16 m @ 57.7 g/t including 7 m @ 126.9 g/t including 1 m @ 672.0 g/t**

FVM514 **28 m @ 266.8 g/t including 5 m @ 1,467.3 g/t including 1 m @ 6,844.6 g/t**

FVM515 **53 m @ 47.4 g/t including 4 m @ 508.4 g/t including 1 m @ 1,218.5 g/t**

The western extension of the Main Lode is now interpreted to represent the main plunge of the orebody and remains open at depth below a recently announced intercept of 32 m @ 33.5 g/t gold including 7 m @ 140 g/t gold in FVM464. All the new results and the deepest intersection on the Western extension of the Main Lode in FVM464 remained in completely oxidised free dig saprolite.

All the results reported above approximate true widths intersections.

Follow up drilling is being planned to test the down plunge extent of the Main Lode and will be completed shortly. An updated resource model and subsequent re-optimisation of the open pit will be completed in the first quarter 2015.

Duckhead continues to provide positive mill reconciled production against the reserve for the quarter producing ~12% more ounces.

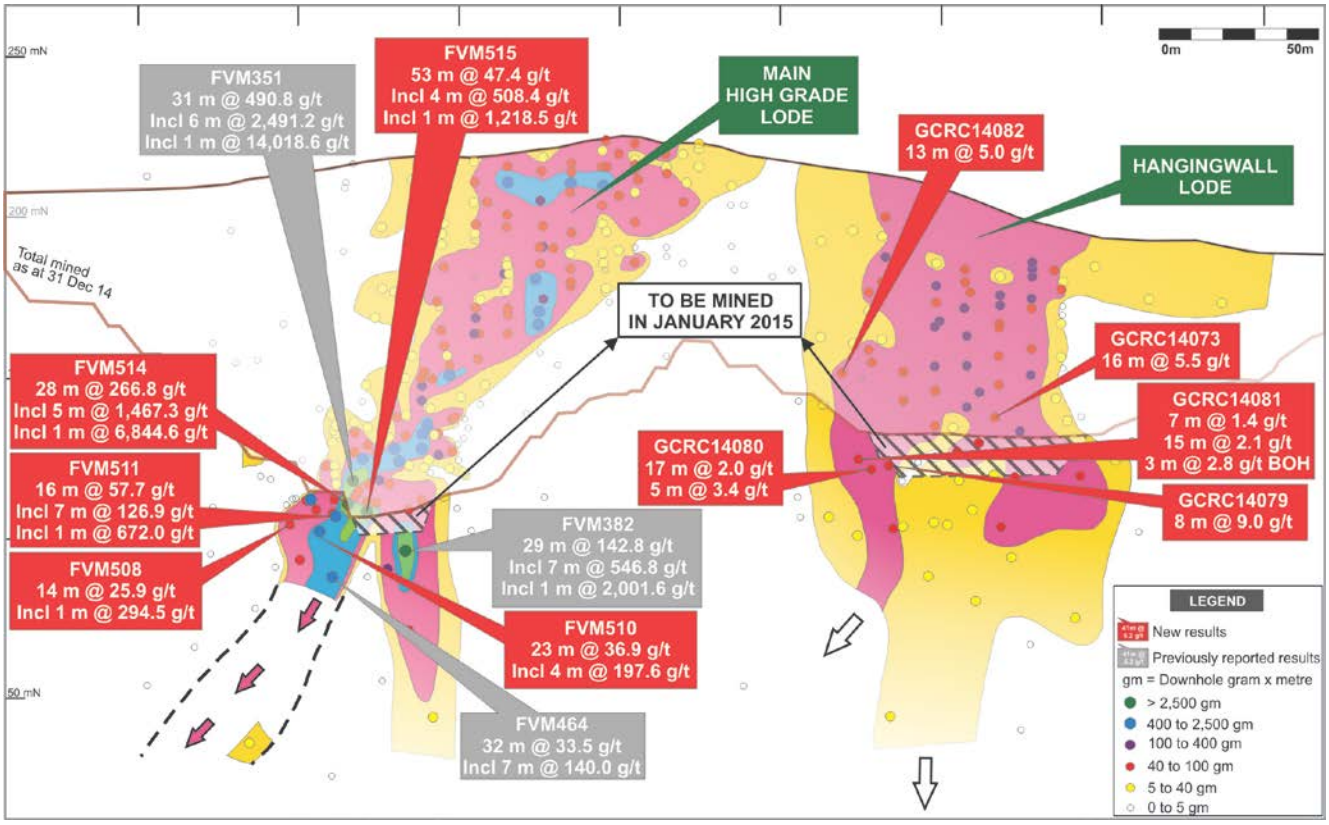

Figure 1. Duckhead longsection showing location of new drill results

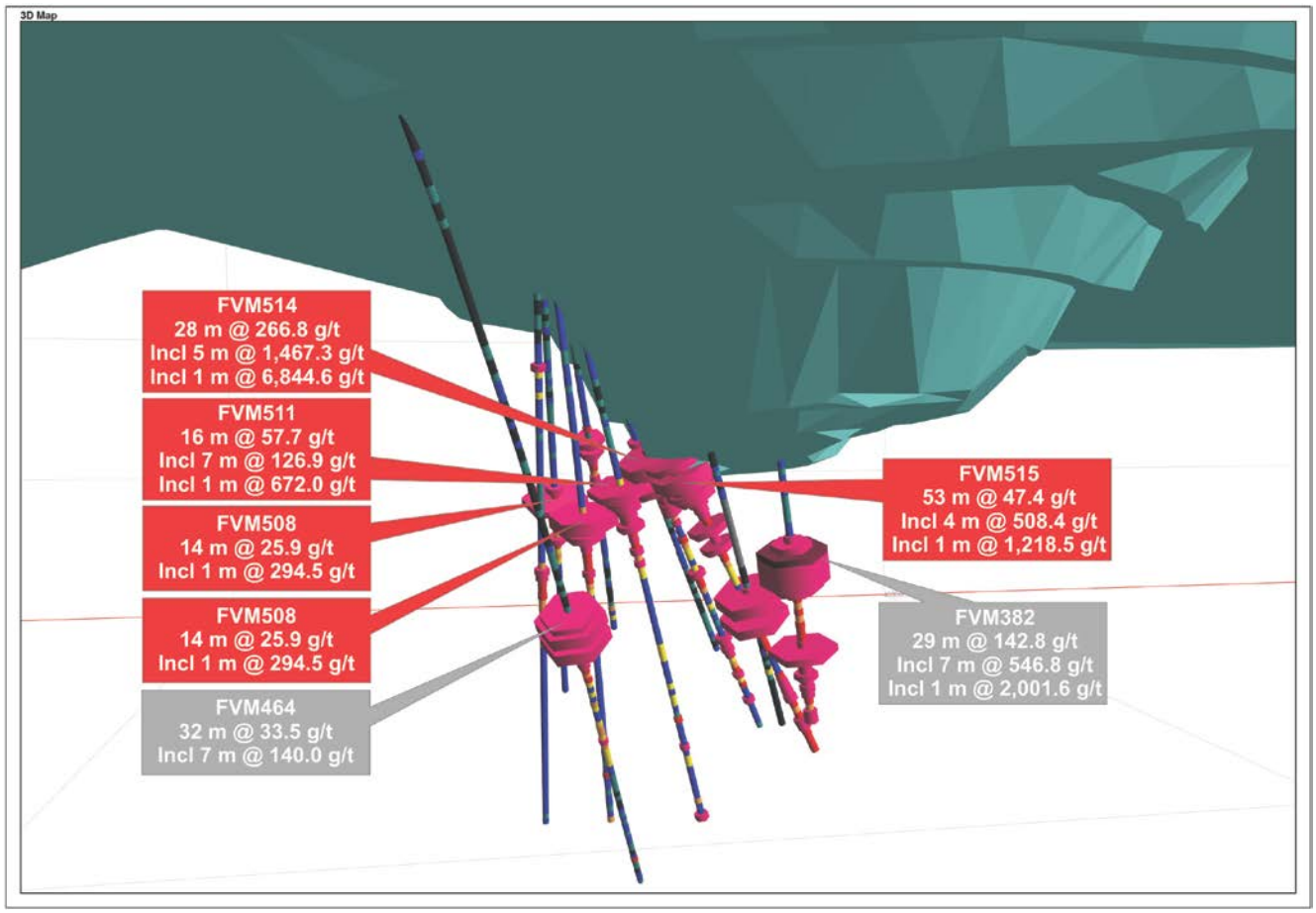

Figure 2. 3D view of Duckhead Main Lode Results below the current open pit outline boundary looking north as at 31 December 2014

Duckhead Hangingwall Lode – Infill drill results up to 16 m @ 5.5 g/t gold and 8 m @ 9.0 g/t gold

Infill RC drilling continues to record strong drill results from the Hangingwall Lode. Significant new results of up to 8 m @ 9.0 g/t gold were received from a parallel lode structure immediately below the main Hangingwall Lode. This newly defined mineralisation requires additional drilling to determine the magnitude and extent down-plunge of the Hangingwall lode and will be the focus of ongoing drilling. Significant gold results from the latest drilling include;

GCRC14073	**16 m @ 5.5 g/t**
GCRC14075	**23 m @ 1.9 g/t**
GCRC14079	**8 m @ 9.0 g/t**
GCRC14080	**17 m @ 2.0 g/t, 5 m @ 3.4 g/t**
GCRC14081	**7 m @ 1.4 g/t, 15 m @ 2.1 g/t, 3 m @ 2.8 g/t BOH**
GCRC14082	**13 m @ 5.0 g/t**

Goosebumps – Large new gold anomaly 500 m east of Duckhead

Systematic auger drilling on 40 m x 40 m spacing targeting the 6 km Duckhead Mine Corridor has discovered a significant new gold anomaly named Goosebumps located 500 m east of the Duckhead open pit on the northern limb of the Duckhead Banded Iron Formation (**BIF**) (Figure 3).

Results up to **1.4 g/t in bottom of hole** are highly encouraging on a 40 m x 40 m spacing and are consistent with the upper surface expression of a Duckhead style lode. For comparison purposes, the original grade control RC drilling over the top of Duckhead Main Lode on a 10 m x 5 m spacing yielded an average grade of 0.6 g/t in the top 3 m of the deposit with a maximum result of 6.8 g/t gold. This lower grade footprint in the surface material is thought to be due to the physical / chemical lateral dispersion of the orebody at the colluvium interface.

Coincidently a recently drilled iron ore diamond hole located 15 m west of the 1.4 g/t bottom of hole auger result, was re-assayed for gold and found to have significant oxide gold mineralisation of **4.8 m** @ **3.3 g/t** from 17.3 m including **1 m** @ **13.5 g/t** from 21 m hosted in BIF in FDVL00045.

The new Goosebumps gold anomaly represents an early stage gold discovery and its connection or not to the Duckhead Main Lode remains unclear. The Goosebumps auger anomaly appears to broadly extend in an east west orientation from the Duckhead Main Lode (Figure 3). The Duckhead Main Lode plunge is directly east-west potentially suggesting an east west structural control that is not yet well understood.

Infill auger drilling to 10 m x 10 m at Goosebumps is currently being completed prior to subsequent deeper RC drill testing.

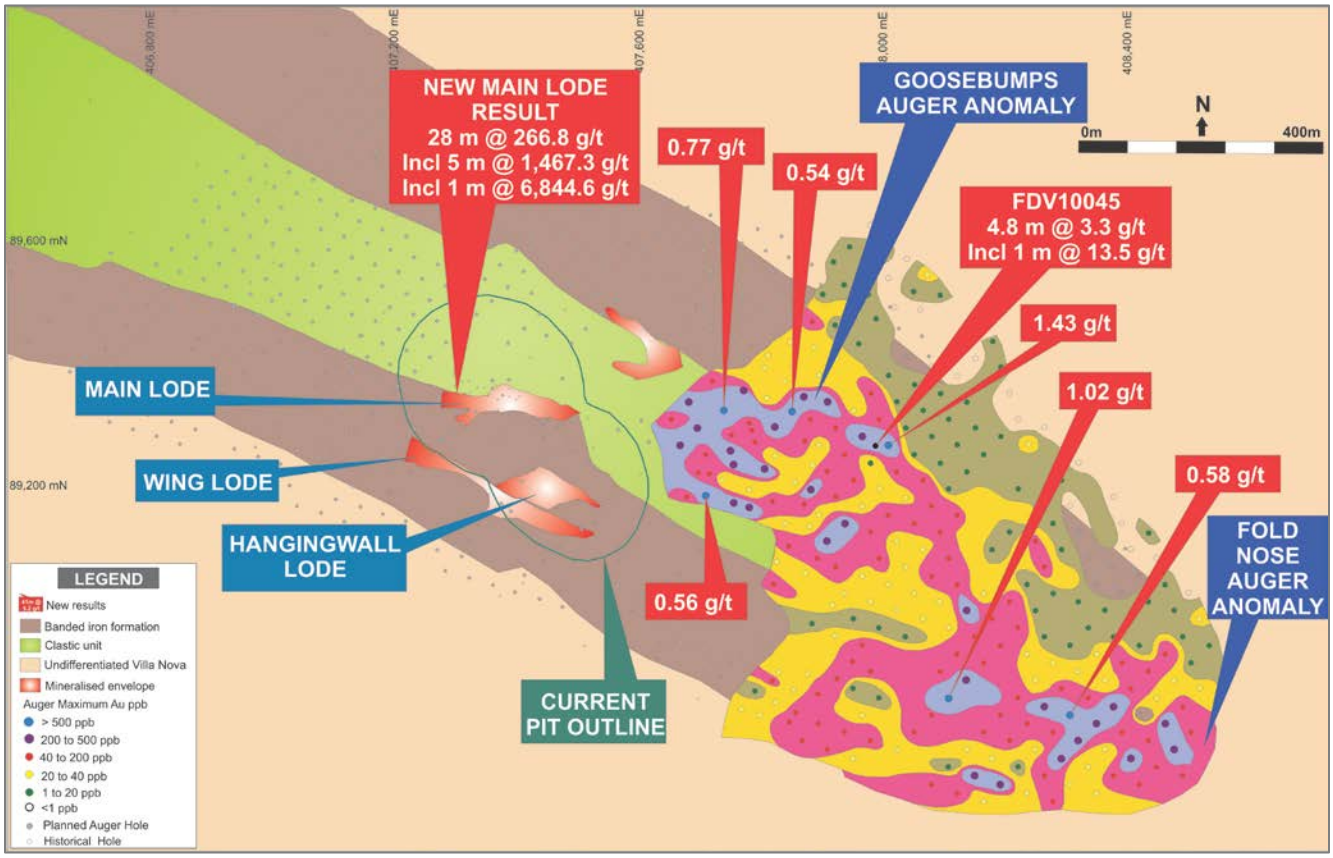

Figure 3. Duckhead plan showing location of new auger and drilling results

Fold Nose – Large coherent auger anomaly 600 m long x 200 m wide and up to 1.0 g/t gold

The Fold Nose target is located approximately 1 km southeast of Duckhead (Figure 3). Systematic auger drilling over the Fold Nose area has delineated a 600 m long x 200 m wide auger anomaly with results up to 1.0 g/t.

Limited previous drilling in this area (mostly re-assayed, wide spaced iron ore drill holes) has intersected strongly anomalous gold results up to 8 m @ 2.5 g/t from 8 m and 15 m @ 1.0 g/t from surface.

Infill auger drilling and re-analysis for gold from recent iron ore drill holes is being completed prior to further drill targeting.

Table 1
Duckhead RC Drill Results

Target	Hole	North	East	RL	Dip	Az	From (m)	To (m)	Width (m)	Gold (g/t)
Hangingwall Lode	GCRC14071	89,174	407,485	156	-59	45	20	25	5	1.7
Hangingwall Lode	GCRC14072	89,184	407,489	156	-56	45	9	22	**13**	**2.1**
Hangingwall Lode	GCRC14073	89,196	407,467	156	-53	65	16	32	**16**	**5.5**
Hangingwall Lode	GCRC14074	89,182	407,460	156	-58	45	36	49	**13**	**1.4**
Hangingwall Lode	GCRC14075	89,192	407,462	156	-60	45	19	42	**23**	**1.9**
Hangingwall Lode	GCRC14076	89,183	407,453	156	-60	30	38 52	46 57	**8** **5**	**2.3** **3.3**
Hangingwall Lode	GCRC14077	89,200	407,444	156	-60	45	36	38	2	0.8
Hangingwall Lode	GCRC14078	89,198	407,427	156	-60	60	42	44	2	0.9
Hangingwall Lode	GCRC14079	89,209	407,441	156	-59	45	18 34 46	20 42 48	2 **8** 2	0.6 **9.0** 1.9

Hangingwall Lode	GCRC14080	89,206	407,429	156	-52	45	31 53	48 58	**17** **5**	**2.0** **3.4**
Hangingwall Lode	GCRC14081	89,218	407,435	156	-60	45	17 28 49	24 43 52 BOH	7 **15** **3**	1.4 **2.1** **2.8**
Hangingwall Lode	GCRC14082	89,226	407,436	156	-50	45	0 19	13 23	**13** 4	**5.0** 0.8
Hangingwall Lode	GCRC14083	89,227	407,429	157	-60	45	9 29	25 30 BOH	**16** 1	**2.2** 1.3
Hangingwall Lode	GCRC14084	89,200	407,451	156	-62	45	33	35	2	0.6
Hangingwall Lode	GCRC14085	89,201	407,459	156	-55	45	21	31	10	0.7
Main Lode	FVM507	89,339	407,324	146	-60	18	37 72	53 75	**16** 3	**8.7** 0.8
Main Lode	FVM508	89,340	407,323	146	-63	10	45 Incl 47 70	59 48 75	**14** **1** 5	**25.9** **294.5** 0.7
Main Lode	FVM509	89,338	407,323	146	-72	7	23 53 Incl 54	28 62 56	5 **9** **2**	2.9 **4.3** **11.5**
Main Lode	FVM510	89,340	407,324	146	-73	30	44 Incl 45 Incl 45	67 49 47	**23** **4** **2**	**36.9** **197.6** **347.6**
Main Lode	FVM511	89,340	407,324	146	-70	47	41 Incl 42 Incl 42	57 49 43	**16** **7** **1**	**57.7** **126.9** **672.0**
Main Lode	FVM513	89,339	407,323	146	-58	46	22 39	24 42	2 **3**	2.0 **12.1**
Main Lode	FVM514	89,338	407,323	146	-61	57	28 39 Incl 40 Incl 40 72	30 67 45 41 85	2 **28** **5** **1** **13**	0.9 **266.8** **1,467.3** **6,844.6** **5.7**
Main Lode	FVM515	89,339	407,323	146	-63	75	37 Incl 40 Incl 40 Incl 40 Incl 42	90 55 47 44 43	**53** **15** **7** **4** **1**	**47.4** **160.2** **318.8** **508.4** **1,218.5**
Main Lode	FVM516	89,338	407,323	146	-67	40	29 40 Incl 41 64 72	31 57 43 68 80	2 **17** **2** 4 8	0.7 **18.3** **132.5** 1.9 1.0
Goosebumps	FDVL0045	89,276	407,986	147	-64	47	17 Incl 21	22 22	**4** **1**	**3.3** **13.5**

All results are reported uncut at >0.5 g/t gold with no greater than 2 m internal dilution. BOH is an abbreviation for bottom of hole.

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Competent Persons Statement

The information in this report relating to Exploration Results and Mineral Resources and Ore Reserves is based on information compiled by Mr Robert Watkins who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient exploration experience which is relevant to the various styles of mineralisation under consideration to qualify as a Competent Person as defined in the 2012 Edition of the 'Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Watkins is a full time employee of Beadell Resources Limited. Mr Watkins consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	*Nature and quality of sampling (e.g. cut channels, random chips, or specific specialised industry standard measurement tools appropriate to the minerals under investigation, such as down hole gamma sondes, or handheld XRF instruments, etc). These examples should not be taken as limiting the broad meaning of sampling.*	The Duckhead deposit was sampled using Reverse Circulation (RC). RC drilling was completed on a nominal 5m x 10m grid spacing for the Main Lode. RC were drilled mainly angled toward grid north-east at Duckhead.
	Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.	Samples are split into single meter intervals. Certified standards were inserted every 25th sample and to assess the accuracy and methodology of the external laboratories. Field duplicates were inserted every 20th sample to assess the repeatability and variability of the gold mineralisation. Laboratory duplicates were also completed approximately every 20th sample to assess the precision of the laboratory as well as the repeatability and variability of the gold mineralisation. A blank standard was inserted at the start of every batch. Results of the QAQC sampling were assessed on a batch by batch basis and were considered acceptable.
	Aspects of the determination of mineralisation that are Material to the Public Report. In cases where 'industry standard' work has been done this would be relatively simple (e.g. 'reverse circulation drilling was used to obtain 1 m samples from which 3 kg was pulverised to produce a 30 g charge for fire assay'). In other cases more explanation may be required, such as where there is coarse gold that has inherent sampling problems. Unusual commodities or mineralisation types (e.g. submarine nodules) may warrant disclosure of detailed information.	1m RC samples were obtained by an adjustable cone splitter attached to the base of the cyclone (1.5kg – 6.0kg) and were utilised for both lithology logging and assaying. At the mine exploration sample preparation facility, core samples are dried at 105C, crushed to -8mm then to -2mm and split to 0.9-1kg before being pulverised to 1mm. This sample is quartered cut to between 200-400g before being pulverised to 95% passing 105µm. The final pulp is quartered again to achieve a sample of 100 - 200g and is sent to SGS laboratories in Belo Horizonte for fire assay. At the mine exploration sample preparation facility, the RC 1m samples are dried at 140C, crushed to -2mm (if aggregated) and riffle split to 1kg. The 1 kg sample is then pulverised to 1mm and quarter cut to between 200 and 400g. This sample is then pulverised to 95% passing 105µm and quarter cut to a 100-200g sample to send to SGS. Any duplicates samples of the same interval are also sent to ACME laboratories for analysis. Samples from the Lookout Lode were assayed at the onsite chemical Laboratory.
Drilling techniques	*Drill type (e.g. core, reverse circulation, open-hole hammer, rotary air blast, auger, Bangka, sonic, etc) and details (e.g. core diameter, triple or standard tube, depth of diamond tails, face-sampling bit or other type, whether core is oriented and if so, by what method, etc).*	A 5.5'' diameter face sampling hammer was used for RC drilling.

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

	duplicate/second-half sampling.	supported the location of the mineralised zone, with the average gold grade being higher for diamond in one case, and higher for RC in the other, further demonstrating the nugget effect consistent with Archaean gold mineralisation. Strong positive reconciliation data from mining at Duckhead and Tap AB indicates that the sampling and estimation is representative.
	Whether sample sizes are appropriate to the grain size of the material being sampled.	Sample sizes (1kg to 6kg) are considered to be a sufficient size to accurately represent the gold mineralisation based on the mineralisation style, the width and continuity of the intersections, the sampling methodology. Field duplicates of diamond core have routinely been collected to ensure monitoring of the sub-sampling quality. Acceptable precision and accuracy is noted in the field duplicates albeit the precision is marginally acceptable and consistent with a course gold deposit.
Quality of assay data and laboratory tests	*The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.*	All resource or exploration holes (prefix FVM or HW) gold assaying completed by external certified laboratories (SGS in Belo Horizonte and ACME laboratories) and using a 30g charge for fire assay analysis with an AAS finish. This technique is industry standard for gold and considered appropriate. All grade control hole (prefix GCRC) gold assaying completed at the non-certified Tucano mine site chemical laboratory using similar fire assay analysis.
	For geophysical tools, spectrometers, handheld XRF instruments, etc, the parameters used in determining the analysis including instrument make and model, reading times, calibrations factors applied and their derivation, etc.	Geophysical tools not used.
	Nature of quality control procedures adopted (e.g. standards, blanks, duplicates, external laboratory checks) and whether acceptable levels of accuracy (i.e. lack of bias) and precision have been established.	Certified Reference Material (CRM or standards) were inserted every 25th sample to assess the assaying accuracy of the external laboratories. Field duplicates were inserted every 20th sample to assess the repeatability from the field and variability of the gold mineralisation. Laboratory duplicates were also completed approximately every 20th sample to assess the precision of assaying. Evaluation of both the Beadell submitted standards, and the internal laboratory quality control data, indicates assaying to be accurate and without significant drift for significant time periods. Excluding obvious errors, the vast majority of the CRM assaying report shows an overall mean bias of less than 5% with no consistent positive or negative bias noted. Duplicate assaying show high levels of correlation (linear correlation >0.96) and no apparent bias between the duplicate pairs. Field duplicate sample show marginally acceptable levels of correlation (0.89 for the SGS data set, 0.96 for the Ultratrace and MinAnalytical data set but 0.61 for the KalAssay data set) and no relative bias. Each analysis batch (approx. 150 samples) is checked to ensure that the standards fall within the accepted levels

		of standard deviation. Where any standard exceeds 3 standard deviations or where more than one standard falls between 2 and 3 standard deviations, the entire batch is resubmitted for analysis.
Verification of sampling and assaying	*The verification of significant intersections by either independent or alternative company personnel.*	The high grade intersections of core at Duckhead have been observed by various visiting geological consultants (e.g. Cube consulting). Very high grade intersections occur in highly weathered saprolite and no visible gold present.
	The use of twinned holes.	Two diamond holes were drilled to twin RC holes and supported the location (width) of the mineralised zone, with the average gold grade being higher for diamond in one case, and higher for RC in the other, further demonstrating the nugget effect consistent with Archaean gold mineralisation.
	Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic) protocols.	All geological logging information is entered directly into Logchief and synchronised with the Datashed database. Other field data (e.g. sampling sheets, downhole surveys etc) are entered into excel spreadsheets formatted for Datashed importation. Lab assay reports are directly imported into Datashed along with all QAQC data and metadata. Data importation is done by Maxwell Geoservices staff under contract by Beadell Resources. All data loading procedures have been documented by Maxwell Geoservices.
	Discuss any adjustment to assay data.	Data below the detection limit is defined with a negative value, e.g. <0.01 = -0.01.
Location of data points	*Accuracy and quality of surveys used to locate drill holes (collar and down-hole surveys), trenches, mine workings and other locations used in Mineral Resource estimation.*	Beadell drillhole collar locations were picked up by site-based authorized surveyors using Total Station Leica 407, calibrated to a base station (expected accuracy of 20mm). Downhole surveying was measured by the drilling contractors using a Reflex Gyro Downhole Survey Instrument for RC holes. Shallow RC holes were picked up at the collar and 2 points on the rod string using Total Station. Grade control RC holes less than ~50m depth are not down hole surveyed.
	Specification of the grid system used.	The grid system is SAD 69 Zone 22N.
	Quality and adequacy of topographic control.	Beadell Brasil Ltda Survey Staff generated a digital terrain model (DTM) from Total Station surface pickups of the Duckhead deposit.
Data spacing and distribution	*Data spacing for reporting of Exploration Results.*	The nominal drillhole spacing is 5m (NE) by 10m (NW) in the Duckhead Main Lode Area and 1~0m (NE) by 10m (NW) in the Duckhead Hangingwall Lode Area.
	Whether the data spacing and distribution is sufficient to establish the degree of geological and grade continuity appropriate for the Mineral Resource and Ore Reserve estimation procedure(s) and classifications applied.	The data spacing and distribution is sufficient to demonstrate spatial and grade continuity of the mineralised domains to support the definition of Inferred, Indicated and Measured Mineral resources under the 2012 JORC code.
	Whether sample compositing has been applied.	No sample compositing has been applied in the field within the mineralised zones.
Orientation	*Whether the orientation of sampling*	The majority of drilling is orientated north-east at

of data in relation to geological structure	*achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.*	Duckhead with a 60 degree dip, which is roughly perpendicular to both the strike and dip of the mineralisation, therefore ensuring intercepts are close to true-width.
	If the relationship between the drilling orientation and the orientation of key mineralised structures is considered to have introduced a sampling bias, this should be assessed and reported if material.	Sectional interpretation of 5m spaced holes on 10m spaced lines shows a very uniform mineralised zone both along strike and down dip. The drill orientation is as close to normal to this body as possible and therefore the drill hole to mineralisation is not considered to have introduced a sampling bias.
Sample security	*The measures taken to ensure sample security.*	Samples are securely sealed and stored onsite, until delivery to Macapa via the company contracted Taxi driver, who then also delivers the samples directly to TAM airlines cargo dispatch facility for delivery to Belo Horizonte. Sample submission forms are sent with the samples as well as emailed to the laboratory, and are used to keep track of the sample batches.
Audits or reviews	*The results of any audits or reviews of sampling techniques and data.*	A site visits was completed in 2012 (Cube Consulting) to review sampling procedures and grade control practices. This visit concluded the sampling to be at an industry standard, and of sufficient quality to carry out a Mineral Resource Estimation.

Section 2 Reporting of Exploration Results

(Criteria listed in the preceding section also apply to this section.)

Criteria	JORC Code explanation	Commentary
Mineral tenement and land tenure status	*Type, reference name/number, location and ownership including agreements or material issues with third parties such as joint ventures, partnerships, overriding royalties, native title interests, historical sites, wilderness or national park and environmental settings.*	The Duckhead prospect resides in tenement 852.730/1993, centrally located within the northern state of Amapa, Brazil. The current registered holders of the tenements is Anglo Ferrous, however Beadell Brasil Ltda has mineral rights to extract gold resources under a Joint Operators Agreement with the Anglo Ferrous. Beadell Brasil Ltda is already operating a nearby gold and iron ore producing mine site (“Tucano Gold”) on its neighbouring mining lease.
	The security of the tenure held at the time of reporting along with any known impediments to obtaining a licence to operate in the area.	Existing mining lease, owned by Anglo Ferrous. Beadell owns 100% of the gold rights and Duckhead Mining Agreements governs the access.
Exploration done by other parties	*Acknowledgment and appraisal of exploration by other parties.*	Beadell Brasil Ltda acknowledges the previous operator MPBA for the initial discovery of the deposit.
Geology	*Deposit type, geological setting and style of mineralisation.*	The Duckhead deposits are structurally controlled orogenic lode type gold deposit hosted within a Banded Iron Formation unit in contact with a Clastic quartz biotite schsit. The Wing Lode and Hangingwall Lodes are characterised by shear parallel disseminated pyrite and pyrrhotite mineral assemblages. The Main Lode is characterised by extremely deep weathering on the BIF and clastic contact.
Drill hole	*A summary of all information material to the understanding of the*	See Table 1

Information	*exploration results including a tabulation of the following information for all Material drill holes:* o *easting and northing of the drill hole collar* o *elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar* o *dip and azimuth of the hole* o *down hole length and interception depth* o *hole length.*	
	If the exclusion of this information is justified on the basis that the information is not Material and this exclusion does not detract from the understanding of the report, the Competent Person should clearly explain why this is the case.	
Data aggregation methods	*In reporting Exploration Results, weighting averaging techniques, maximum and/or minimum grade truncations (e.g. cutting of high grades) and cut-off grades are usually Material and should be stated.*	In the reporting of exploration results, un-cut grades are reported. The lower cut-off limit is considered to be 0.5g/t for the reporting of drill hole intercepts with no more than 2 m downhole internal dilution. Intercepts are determined using a weighted average over the length of the intercept.
	Where aggregate intercepts incorporate short lengths of high grade results and longer lengths of low grade results, the procedure used for such aggregation should be stated and some typical examples of such aggregations should be shown in detail.	In the instance where aggregate intercepts include shorter lengths of higher grade material, the total interval is stated first followed by the word “including”, then a listing of the contained shorter high grade intercepts.
	The assumptions used for any reporting of metal equivalent values should be clearly stated.	No metal equivalents are used at Duckhead.
Relationship between mineralisation widths and intercept lengths	*These relationships are particularly important in the reporting of Exploration Results.*	The Duckhead drilling was designed to intersect the mineralisation at an angle that is roughly perpendicular to the overall trend for both strike and dip. The mineralised intervals are generally much wider than the minimum sample interval of 1m.
	If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.	
	If it is not known and only the down hole lengths are reported, there should be a clear statement to this effect (e.g. ‘down hole length, true width not known’).	All drill intersections are stated as down hole lengths.
Diagrams	*Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any*	See diagrams in main body of the announcement.

	significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.	
Balanced reporting	*Where comprehensive reporting of all Exploration Results is not practicable, representative reporting of both low and high grades and/or widths should be practiced to avoid misleading reporting of Exploration Results.*	Due to the high grades at Duckhead, it is normal practice to separate all notably high assay results within any reported intersection. All new results received at Duckhead and Tap AB Lookout Lode above a reportable intersection of > 2m @ 0.5 g/t gold have been reported in Table 1 & 2
Other substantive exploration data	*Other exploration data, if meaningful and material, should be reported including (but not limited to): geological observations; geophysical survey results; geochemical survey results; bulk samples – size and method of treatment; metallurgical test results; bulk density, groundwater, geotechnical and rock characteristics; potential deleterious or contaminating substances.*	The Duckhead results are from an active mining area where open pit mining is in progress. Positive reconciliation has been verified by mill metallurgical balance based on models using the same drilling method for results.
Further work	*The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).* *Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.*	The Duckhead lodes remain open at depth and contain numerous outlying intersections that will require follow up drilling including further drilling towards the anomalous eastern fold hinge zone and North Limb targets. Step out diamond and RC drilling to explore the depth extensions at Duckhead is in progress.