

Quarterly Report for Shareholders

Period Ending 31 March 2015



HIGHLIGHTS

OPERATIONS

- **Gold Sales and Production** – Gold sales for the quarter were **32,941 ounces** with **production of 30,939 ounces** of gold.
- **Costs – Cash costs** for the quarter were **US\$924 per ounce**. All-in Sustaining Costs (“AISC”)* for the quarter were **US\$1,080 per ounce**. Due to market conditions, no credits for iron ore stockpiled during the quarter have been included in cash costs or AISC per ounce.
- **2015 Mine Plan** – High grade Duckhead Stage 3 cutback to incorporate 20,000 ounces at a grade of 23.9 g/t from Main Lode into the second half of 2015 mine plan.

RESOURCE AND RESERVE DEVELOPMENT

- **Updated Resource and Reserve Statement** – Updated resource and reserve statement highlights the long-term robustness of the Tucano Operation with average annual gold production ~185,000 ounces for the next 6 years (see Figure 2).
- **Exploration Strategy** – Focus on near mine surface oxide targets that can be brought into the mining plan quickly, as per past successes with the Mirante and GAP pits. Continue to define Urucum underground resources with the current drilling program targeting a pre-feasibility study by year-end.
- **Tucano Mineral Resources** – Increased by 401,000 ounces after depletion to 100.1 million tonnes @ 1.67 g/t gold for **5.4 million ounces**.
- **Tucano Ore Reserves** – Decreased by 196,000 ounces after depletion to 25.7 million tonnes @ 1.57 g/t gold for **1.3 million ounces**.
- **Duckhead** – Resource extension and step out drilling results of up to **19.0 m @ 16.8 g/t gold** including **5.0 m @ 57.4 g/t gold**.
- **Duckhead Gold Nose** – A significant new drill result of **9.0 m @ 6.2 g/t gold** from 5.5 m including **5.5 m @ 10.1 g/t gold** located 1 km southeast of Duckhead open pit.
- **Urucum Underground** – High grade drill results of up to **5.5 m @ 12.0 g/t gold** including **1.7 m @ 35.2 g/t gold**, **1 m @ 78.9 g/t** and additionally **12.0 m @ 3.3 g/t gold** including **3.0 m @ 6.7 g/t gold** in FD1397.

CORPORATE

- **Gold Sales** – Gold sales totalled 32,941 ounces at an average cash price received of US\$1,224 per ounce.
- **Cash and Bullion** – Cash and bullion as at 31 March 2015 totalled **\$57 million** (bullion valued at US\$0.77 and US\$1,206 per ounce).
- **Dividend** – On 16 April, the Company paid a dividend of **1 cent per share**.
- **Cost Reduction Initiative** – An ongoing strategic review of the Tucano mine site’s operating costs has included a workforce reduction of ~20%, which comprised 73 company personnel and 150 contracted positions. The savings from this initiative will be realised for the remainder of the year. Other cost reduction measures will be rolled out during 2015.
- **Corporate Strategy** – Corporate strategy has been expanded to include the acquisition of a value accretive gold producing asset or merger with another company holding such an asset.
- **Guidance** – Guidance for full year gold sales of 170,000 – 190,000 ounces remains in place; however, June quarter guidance has been modified to 36,000 – 40,000 ounces (from 40,000 – 46,000 ounces). This deferral of ounces into the second half of 2015 is as a result of the late arrival of new earthmoving equipment and the diversion in the current quarter of a portion of the earthmoving fleet to commence mining the high grade, low cost Duckhead ore body which will be processed during the second half.

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

Beadell's Managing Director commented "Whilst material movement of ore and waste for the first half are below expectations, our full year production and cost guidance remains in place as the arrival of new earthmoving equipment will ensure substantial gains throughout the second half coupled with the high grade Duckhead ore, now included in the mine plan.

Now that we have a good grip on the operations at Tucano, which I believe will become evident during the second half of 2015, our corporate strategy has been expanded to include the pursuit of a value accretive producing gold asset or transaction with like-minded gold companies. This will achieve our goal of becoming a relevant multi asset gold producer focused on robust returns. We will be disciplined and patient with any potential transaction."



Peter Bowler
Managing Director
24 April 2015

OPERATIONS

TUCANO GOLD MINE (100%)

Production Summary	Unit	Mar 2015 Quarter	Dec 2014 Quarter	Mar 2014 Quarter
Total Waste Moved	tonnes	3,784,666	3,949,016	2,883,265
Marginal Ore Stockpiled	tonnes	108,667	130,901	89,874
Gold Ore Mined	tonnes	604,295	1,347,286	308,681
Gold Ore Milled	tonnes	941,854	1,185,343	1,018,840
Head Grade	g/t	1.14	1.70	1.10
Plant Recovery	%	90.0%	91.0%	90.0%
Total Gold Recovered	ounces	30,939	59,180	32,507
Total Gold Sold	ounces	32,941	54,892	38,757

Cash Costs and All-In Sustaining Costs	Unit	Mar 2015 Quarter	Dec 2014 Quarter	Mar 2014 Quarter
On-Site Production Costs	US\$/ounce	856	571	576
On-Site G&A Costs	US\$/ounce	68	29	57
By-Product Credits*	US\$/ounce	0	-26	-9
Cash Costs	US\$/ounce	924	574	624
Royalties	US\$/ounce	28	19	17
On-Site Corporate Costs	US\$/ounce	17	20	18
Exploration Costs (Sustaining)	US\$/ounce	2	7	47
Capitalised Stripping Costs (Sustaining)	US\$/ounce	107	0	142
Capital Expenditure (Sustaining)	US\$/ounce	2	18	21
All-In Sustaining Costs**	US\$/ounce	1,080	638	869

* No credits for iron ore stockpiled during the March 2015 quarter have been included in cash costs or AISC per ounce.

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

Production

Gold recovered in the March quarter totalled 30,939 ounces at the Tucano CIL gold plant in Brazil. The March 2015 to December 2014 quarterly comparison is impacted by reduced volumes of high grade Duckhead ore to be accessed in the second half.

The March quarter year-on-year comparison for total material mined shows an improvement of 37%. In comparing the March 2015 quarter to the December 2014 quarter, there is a reduction of 17%, primarily due to the onset of the wet season in January and to the delayed delivery of the new mining fleet ordered by the recently appointed mining contractor. The delayed equipment was specific for earth moving during the wet season.

Additional to this, the first ever SAG Mill re-line at Tucano occurred during the quarter, which took eight days, twice as long as planned, equating to ~2,000 ounces of unbudgeted lost production.

An ongoing strategic review of the Tucano mine site operating costs has included a workforce reduction of ~20%, which included 73 company personnel and 150 contracted positions. The savings from this initiative will be realised for the remainder of the year. Further identified cost control measures will continue to be rolled out in 2015.

Mining

For the March 2015 quarter, 4,497,629 tonnes of ore and waste were mined and moved, an improvement over the March 2014 quarter of 37%.

In the March quarter, the primary mining fleet was relocated to the Urucum mining area as the Duckhead Stage 2 pit was nearing completion. This resulted in waste material mined for March 2015 quarter at 96% of the December 2014 quarter.

While the primary mining fleet at Urucum was establishing long term digging faces, low grade ore was taken before access to the higher grade planned ore blocks can begin. During this period, the mill feed also included a higher percentage of low grade stockpiled ore, resulting in a lower quarter on quarter mill feed grade.

Processing

During the quarter, the CIL plant throughput was 941,854 tonnes of predominantly oxide ore, which equates to an annualised rate of 3.8 million tonnes. The key reason for this reduction of throughput during the quarter was the first ever SAG Mill re-line at Tucano, which took eight days equating to 100,000 tonnes of lost plant throughput. The mill feed grade for the quarter was at 1.14 g/t and the process plant recovery for the period was 90%.

Gold ore stockpiles at the end of March totalled 4.9 million tonnes @ 0.77 g/t gold for 121,000 ounces plus marginal stockpiles of 1.5 million tonnes @ 0.45 g/t gold for 21,000 ounces. Total stockpiles, including marginal stockpiles, totalled 6.3 million tonnes @ 0.70 g/t gold for 142,000 ounces.

RESOURCE AND RESERVE DEVELOPMENT

BRAZIL

Tucano resource and reserves were updated as at 31 December 2014 (see ASX release 7 April 2015). Tucano Mineral resources total 100.1 million tonnes @ 1.67 g/t gold for 5.4 million ounces. Ore reserves total 25.7 million tonnes @ 1.57 g/t gold for 1.3 million ounces.

A total of 572,000 resource ounces (+12%) were added and 171,000 ounces (-3%) were depleted by mill feed at Tucano. Significant additions to the Tucano resources and reserves in 2014 were sourced from near surface oxide discoveries at Mirante, Tap C3, Tap C3N, Gap, MTL and Urucum West.

Ore reserves decreased by 367,000 ounces (-22%) due to the complete removal of previously anticipated iron ore revenue removing 313,000 ounces (-19%) and reduced gold price assumptions from US\$1,200 to US\$1,050, depletion by mill feed of 171,000 ounces (-10%) and additions of 117,000 ounces (+7%).

The new Tucano ore reserve includes a robust 6-year open pit mine plan at significantly increased margins due to the reduced open pit strip ratio from 12.7:1 to 7.5:1, a 41% improvement and increased grade from 1.58 g/t to 1.77 g/t, a 12% improvement.

The Urucum open pit has been optimised shallower to allow previously reported deeper

open pit reserves, now excluded, to be accessed from underground. These reserves will be reinstated as underground reserves subject to the pending Urucum Underground prefeasibility study.

Duckhead Main Lode and Hangingwall Lode current ore reserve is 0.14 million tonnes @ 6.80 g/t gold for 31,000 ounces.

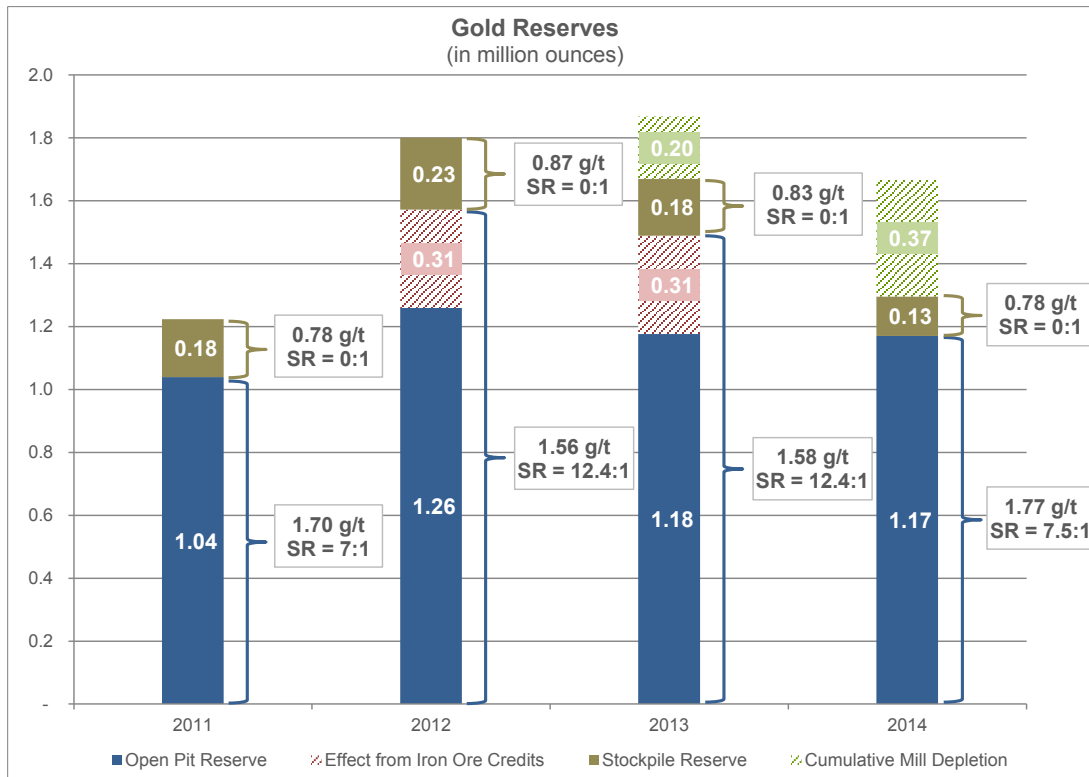


Figure 1. Tucano Reserve changes from 2011 to 2014

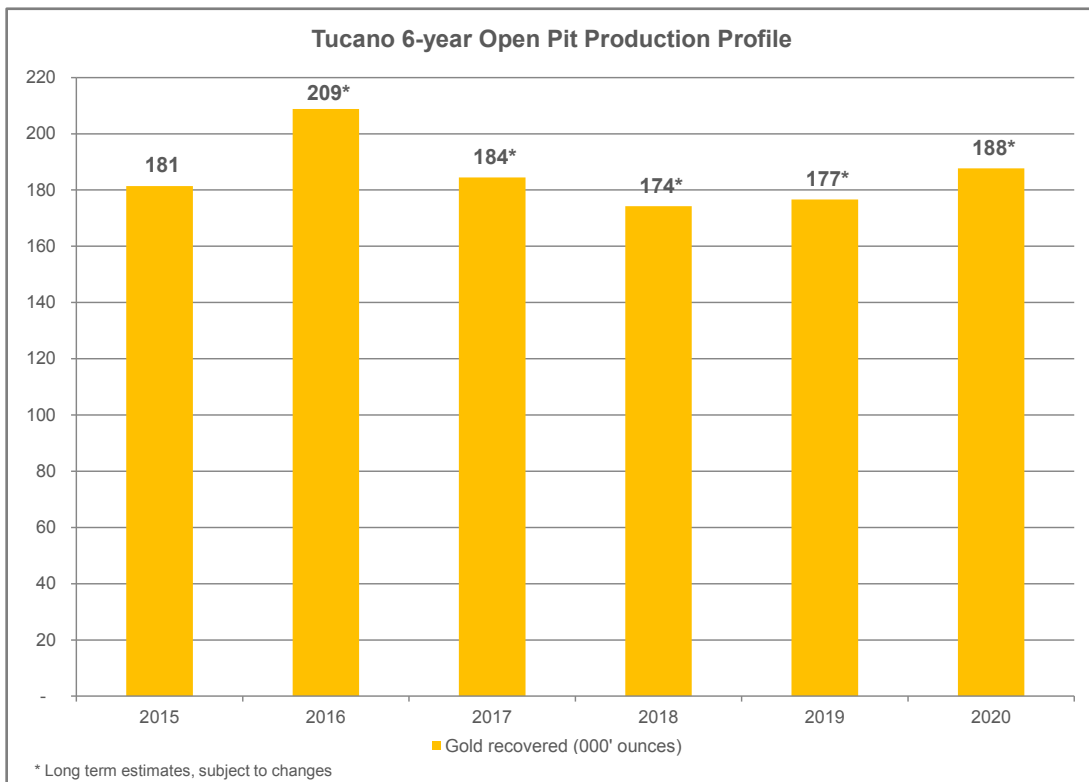


Figure 2. Tucano Open Pit Life of Mine production schedule

In the March quarter, five drill rigs were operating on double shift. A total of 35,140 m of drilling was completed, comprising 27,535 m of grade control RC drilling and 7,605 m of exploration / resource delineation drilling.

At Urucum underground, three diamond rigs have accelerated the pre-feasibility drilling and continue to produce strong high grade drill results of up to **5.5 m @ 12.0 g/t gold, including 1.7 m @ 35.2**

g/t gold and 1 m @ 78.9 g/t (see ASX release 16 April 2015).

Exploration and resource extension drilling along the Duckhead Mine Corridor also continued to produce positive results of up to **19.0 m @ 16.8 g/t gold** including **5.0 m @ 57.4 g/t** from Main Lode and **9.0 m @ 6.2 g/t gold** including **5.5 m @ 10.1 g/t gold** from the newly named **Gold Nose deposit** (see ASX release 16 April 2015).

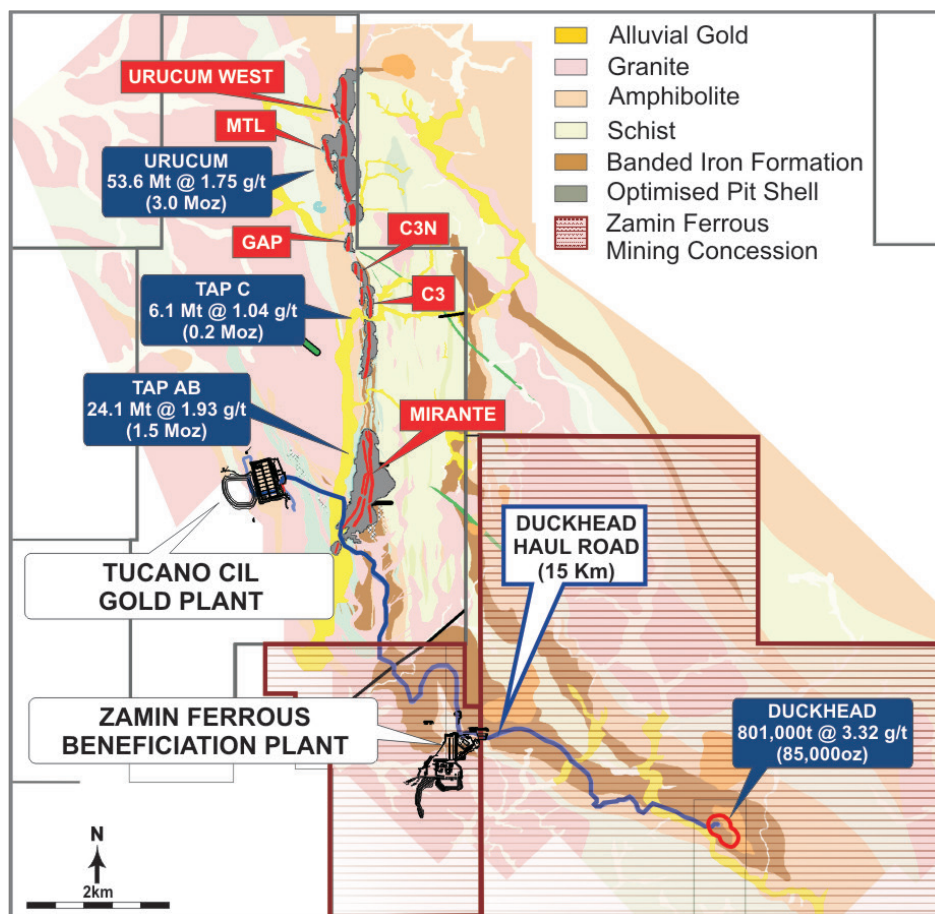


Figure 3. Tucano Mine Corridor showing location of Gap, Tap C3 North, Tap D1 and Urucum

Duckhead Mine Corridor (100%)

Resource extension drilling of the Duckhead Main Lode as well as exploration of the Duckhead Near Mine area continued during the quarter.

A significant new drill result was received from the newly named **Gold Nose** prospect of **9.0 m @ 6.2 g/t gold** from 5.5 m including **5.5 m @ 10.1 g/t gold** in FDVM153. The result is located on the very eastern end of the 400 m long Gold Nose anomaly located 1 km southeast of the Duckhead open pit (see Figure 4). The new result is located within in-situ oxide saprolite material below 5.5 m of barren colluvium overburden and remains untested at depth and along strike.

Resource extension and step out RC drilling was completed on the Main Lode below the open pit limits. Results up to **19.0 m @ 16.8 g/t gold** including **5.0 m @ 57.4 g/t** from 36.0 m in FVM520 highlight the strong continuity of the very high grade core of mineralisation and will form part of the Stage 3 open pit cutback at Duckhead. Other significant results include **9.0 m @ 6.7 g/t gold** from 49.0 m including **2.0 m @ 23.5 g/t gold** in FVM524 and **5.0 m @ 6.0 g/t gold** from 49.0 m including **2.0 m @ 11.6 g/t gold**.

A small first pass program of RC drilling was completed at Goosebumps with a best result of **1.0 m @ 9.4 g/t gold** from 8 m in FVM542.

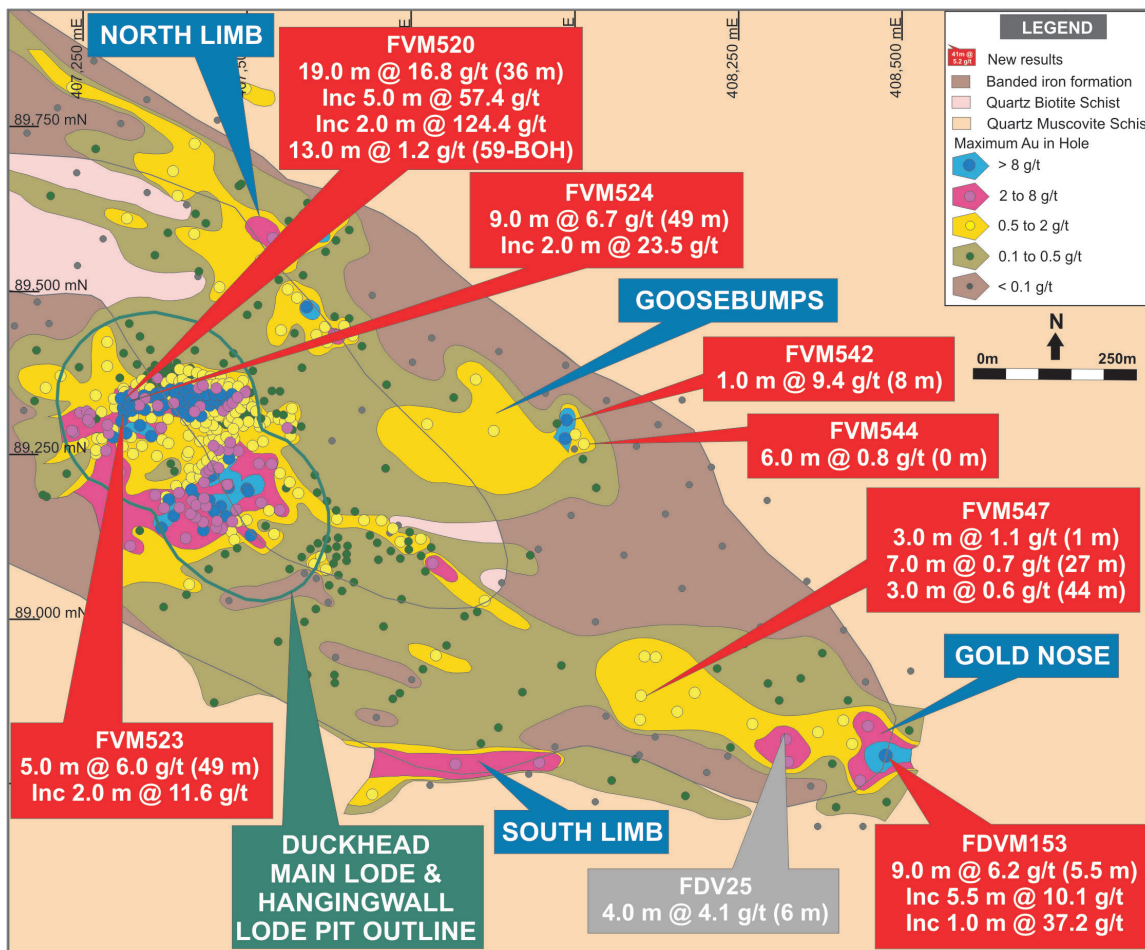


Figure 4. Duckhead Mine Corridor.

Urucum Underground

Surface diamond drilling targeting the Urucum Underground accelerated in the March 2015 quarter with three diamond rigs on double shift. Results from several new drill holes were received (see ASX release 16 April 2015). New results received in the March quarter include;

- **FD1396 – Lode 1** 2.0 m @ 8.2 g/t gold and 1.2 m @ 4.7 g/t gold, **Lode 2** 4.0 m @ 4.0 g/t gold, 34 m @ 1.8 g/t gold including 7.0 m @ 4.6 g/t
- **FD1397 – Lode 1** 5.5 m @ 12.0 g/t gold including 1.7 m @ 35.2 g/t gold and 1.0 m @ 78.9 g/t gold, **Lode 2** 12.0 m @ 3.3 g/t gold including 3.0 m @ 6.7 g/t
- **FD1401 – Lode 1** 7.8 m @ 6.4 g/t gold including 3.8 m @ 12.5 g/t gold, **Lode 2** 17.1 m @ 1.5 g/t including 9 m @ 2.5 g/t gold

The diamond drilling is targeting the Urucum North part of the 3.0 million ounces Urucum deposit

where deeper wide spaced drilling to date has defined a large resource below the yet to be mined Urucum North open pit. Optimisation studies to determine the depth of the open pit / underground cross over position resulted in the Urucum North open pit being shallowed and overall reserves temporarily reduced while the Urucum prefeasibility drilling and study is completed (see ASX release 7 April 2015). The Urucum Pre-Feasibility Study (“PFS”) drilling has been extended and will be completed in the June Quarter, with results of the PFS to be completed and released in the second half of 2015.

The Urucum Underground drilling is focussed on two continuous subparallel lodes at Urucum North named Lode 1 and Lode 2. Both lodes form sub-vertical ore shoots in excess of 800 m strike bounded by cross cutting pegmatite intrusions to the north and south (see Figure 5).

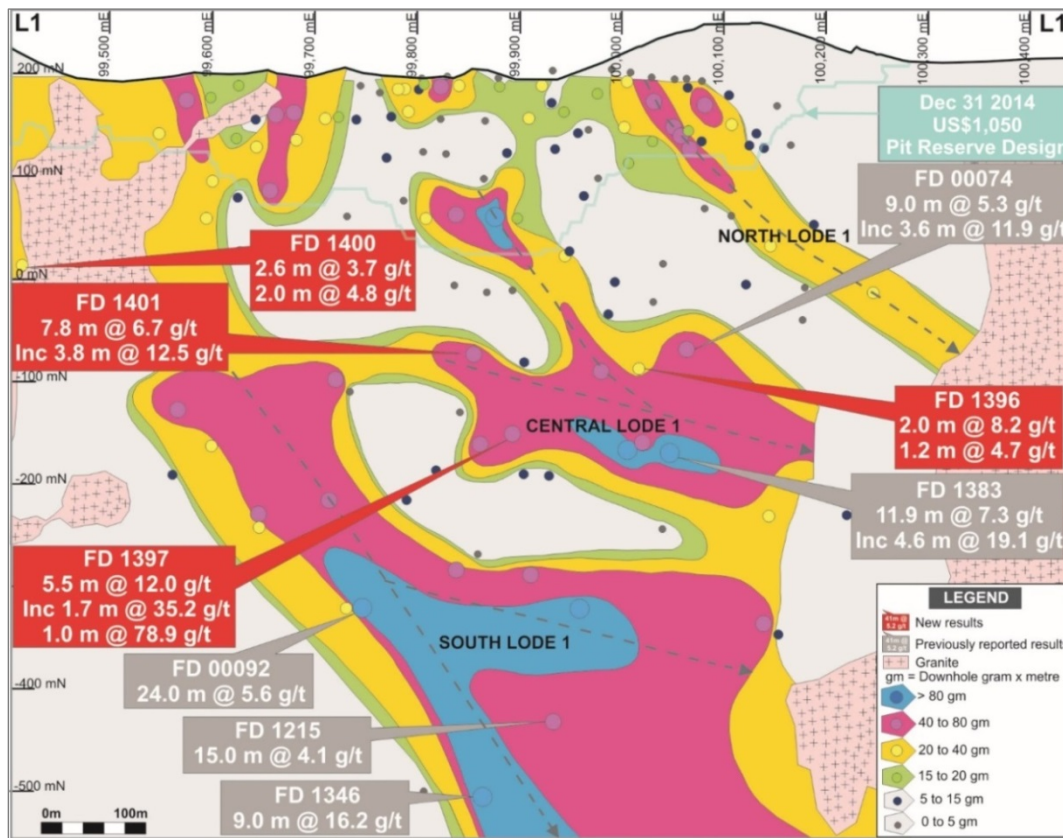


Figure 5. Urucum Lode 1 longsection showing location of new diamond drill results.

EXPLORATION

BRAZIL

Tucano Regional

Compilation and reprocessing of all geophysical datasets will be completed in the June quarter prior to target ranking and implementation of follow up exploration programs.

Tenement applications at Mutum and Sucuriju are awaiting grant before further field activities can be completed.

Tartaruga Project (100%)

No work was completed.

WESTERN AUSTRALIA

Tropicana East Project (100%)

No work completed.

Zanthus Project (100%)

No work completed. Tenement holdings have been reduced by 50%.

Balladonia Project (100%)

No work completed. Tenement holdings have been reduced by 75%. E69/2041 was relinquished.

CORPORATE & FINANCE

Gold Sales

Gold sales totalled 32,941 ounces in the March quarter. The average cash price received was US\$1,224 per ounce.

Cash & Bullion

Cash and bullion as at 31 March 2015 totalled **\$57 million** (bullion valued at A\$1.00 = US\$0.77 and US\$1,206 per ounce) (see Figure 6). This balance includes the machinery lease facility relating to the mining fleet sold to MACA Ltd and

will be repaid from this cash & bullion over time totalling ~\$15 million.

Capital and Exploration Expenditure

Non-sustaining capital expenditure for the quarter was \$1.5 million and was largely associated with construction of the long term West Pond and North Mill Pond tailings dams.

Non-sustaining exploration expenditure for the quarter was \$2.5 million.

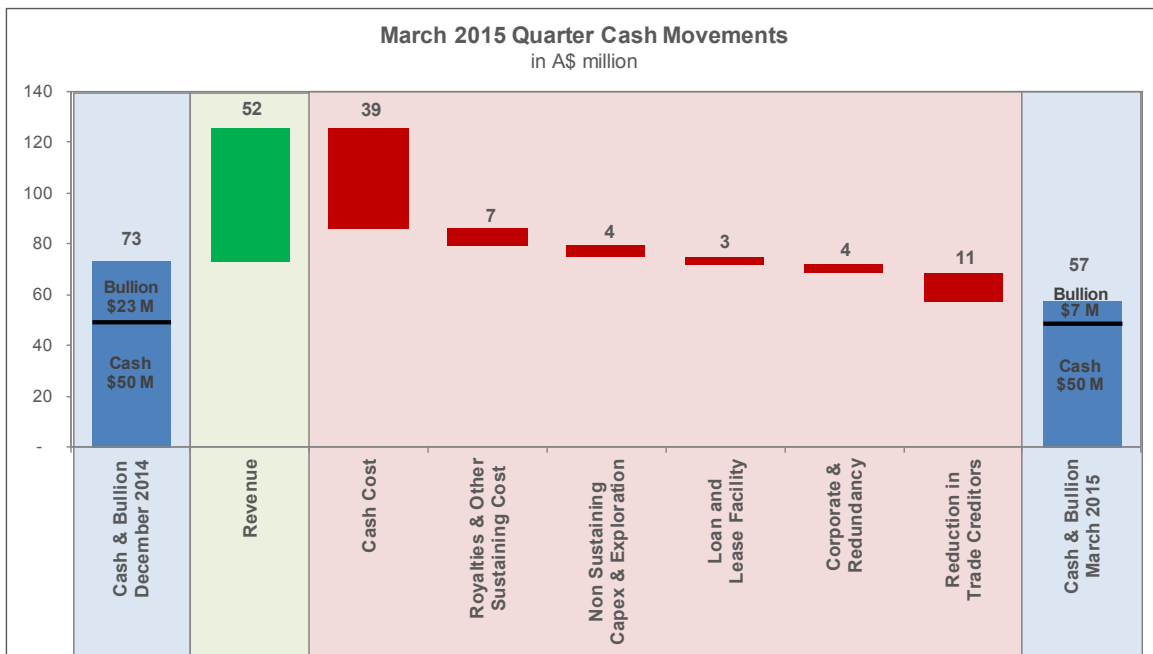


Figure 6. March 2015 Quarter Cash Movements.

Bank Finance

During the quarter, the Company announced that the US\$60 million Bridge Loan with Santander was restructured into an unhedged 3-year Facility with Banco Santander and Banco Itaú.

The Facility is secured by the Company's Tucano Mining Concession and is repayable in 12 equal quarterly instalments starting from 15 April 2015. Interest payments of USD LIBOR + 3% per annum on the outstanding balance are also payable quarterly.

Currency Movements

It is important to note that throughout the last three months from 1 January 2015, the Brazilian Real has weakened against the US Dollar by **20%** compared with the Australian Dollar that has weakened **7%** against the US Dollar over the same period. As with Australian gold producers this currency movement has aided significantly, and to a greater extent, to the profitability of the operation.

Corporate Strategy

The Company has adopted a strategy to benefit from the well understood benefits of a gold business managing multiple operating gold mines. Now that the Tucano gold mine has established itself as a reliable cash flow generating centre, Beadell is in a strong position to strive for more consistent quarter on quarter production by the acquisition or merger of a value accretive

producing gold asset. The focus will be on robust returns in well understood jurisdictions. A patient approach will ensure the successful execution of Beadell's corporate strategy.

CY2015 Guidance

Guidance for full year gold sales of 170,000 – 190,000 ounces remains in place along with AISC guidance between US\$810 – US\$890 per ounce. Planning on incorporating a modest cutback of the high grade Duckhead pit into the 2015 Mine plan is complete and is now included in this guidance. It is anticipated this will contribute ~20,000 ounces of low cost gold to the production profile. As a result of this inclusion, guidance for the remainder of the year is as follows:

CY2015 Quarter	CY2015 Gold Sales Guidance
June 2015	36,000 – 40,000 ounces
September 2015	44,000 – 48,000 ounces
December 2015	56,000 – 60,000 ounces

Dividend Payment

On 16 April, the Company paid an unfranked dividend of **1 cent per share** payable in Australian dollars. The record date for receiving the dividend was 31 March.

Beadell's Annual General Meeting

Annual General Meeting to be held at the King Street Room of the Rydges Hotel, Perth, on Wednesday, 20 May 2015 commencing at 9.00am (WST).

ASX Code: BDR

Directors and Senior Management:

Craig Readhead	Non-Exec. Chairman
Mike Donaldson	Non-Exec. Director
Ross Kestel	Non-Exec. Director
Peter Bowler	Managing Director
Rob Watkins	Exec. Director Geology
Greg Barrett	CFO/ Company Secretary
Boyd Timler	Chief Operating Officer
Luis Abadi	General Manager - Brazil

Corporate Details:

Issued capital: 798,657,280 ordinary shares
(as at 31 March 2015)

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Competent Persons Statement

The information in this report relating to Mineral Resource, Open Pit Ore Reserves and Exploration Results are based on information compiled by Mr Robert Watkins who is a member of the Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the styles of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 an Executive Director of Beadell Resources and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information in this report relating to Open Pit Ore Reserves is based on information compiled by Mr Sjoerd Rein Duim who is a member of the Australasian Institute of Mining and Metallurgy and who has sufficient experience which is relevant to the styles of mineralisation and type of deposit under consideration and to the activity which he is undertaking 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 Duim is a consultant who is employed by SRK Consulting and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears. Mr Duim is responsible for the Tucano pit optimisations for Tap AB, Tap C and Urucum and final reporting of the pit design inventories for Tap AB, Tap C, Urucum and Duckhead.

The information in this report relating to Mineral Resources is based on information compiled by Mr Paul Tan 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 Tan is a full time employee of the Beadell Group and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.

The information is extracted from the reports entitled "Duckhead Exploration Update" created on 8 January 2015, "Annual Mineral Resource and Ore Reserve Update" created on 7 April 2015 and "Tucano Exploration Update" created on 16 April 2015 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.