

Quarterly Report for Shareholders Period Ending 30 June 2015



HIGHLIGHTS

OPERATIONS

- **Gold Sales and Production** – Gold sales for the quarter were **21,045 ounces** with **production of 21,457 ounces** of gold.
- **Costs – Cash costs** for the quarter were **US\$896 per ounce**. All-in Sustaining Costs (“AISC”)* for the quarter were **US\$1,042 per ounce**.
- **Cost Reduction Initiatives** – An ongoing strategic review of the Tucano mine site’s operating costs which included a workforce reduction of ~25% is now complete. Ongoing savings from this initiative are now being realised. Other cost reduction measures are currently being rolled out.
- **July Material Movement** – Mining of waste and gold ore for the month of July will be ~ 2.2 million tonnes, an all-time record, confirming the required earthmoving improvements are now in place.

RESOURCE AND RESERVE DEVELOPMENT

- **Duckhead Gold Nose** – A significant new shallow oxide gold discovery has been confirmed 1 km southeast of Duckhead open pit with auger results of up to **12 m @ 16.87 g/t gold including 7 m @ 27.1 g/t gold** (see ASX release 10 June 2015).
- **Urucum Underground** – Diamond drilling with three rigs continues to delineate the Urucum underground target defining a shallow plunging high grade shoot on Lode 1 with results of up to **23 m @ 4.92 g/t gold including 5 m @ 20.32 g/t gold and 12 m @ 4.81 g/t gold including 7 m @ 6.7 g/t gold** (see ASX release 16 June 2015).
- **Mutum** – Surface soil sampling has defined an undrilled, camp scale gold anomaly in excess of **3 km long by 500 m wide** located 15 km east of Tucano. Coincident rock chip results of up to **7.2 g/t gold** have been recorded, hosted in gossanous banded iron formation.

CORPORATE

- **Gold Sales** – Gold sales totalled 21,045 ounces at an average cash price received of US\$1,185 per ounce.
- **Cash and Bullion** – Cash and bullion as at 30 June 2015 totalled **\$22.4 million** (bullion valued at US\$0.77 and US\$1,173 per ounce).
- **Guidance** – As a result of the revised resource and reserve statement and subsequent optimisation of the open pit mine schedule, **second half gold sales** are anticipated to be between **85 – 100,000 ounces gold** along with second half **AISC guidance between US\$680 – US\$820 per ounce**. If an unexpected delay to the mining of the high grade Stage 3 Duckhead cutback transpires, a portion or all of the 20,000 ounces planned from this ore body, included in this guidance, may be attributable to early 2016 production. However, third party regulatory approvals are expected over the coming weeks.

Beadell’s Managing Director commented “Whilst material movement of ore and waste for the first half and consequential gold production were below expectations, our second half production and cost guidance remains strong. The commencement of the dry season and arrival of new earthmoving equipment with the revised mine plan will ensure substantial gains to gold production throughout the second half. We expect our cash reserves to increase significantly as a result of this anticipated strong second half.”

Peter Bowler
Managing Director

31 July 2015

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

OPERATIONS

TUCANO GOLD MINE (100%)

Production Summary	Unit	Jun 2015 Quarter	Mar 2015 Quarter	Jun 2014 Quarter
Total Waste Moved	tonnes	3,166,897	3,784,666	1,951,299
Marginal Ore Stockpiled	tonnes	38,568	108,667	24,666
Gold Ore Mined	tonnes	394,951	604,295	284,771
Gold Ore Milled	tonnes	846,499	941,854	958,778
Head Grade	g/t	0.90	1.14	1.07
Plant Recovery	%	88.7%	90.0%	89.0%
Total Gold Recovered	ounces	21,457	30,939	28,211
Total Gold Sold	ounces	21,045	32,941	30,483

Cash Costs and All-In Sustaining Costs	Unit	Jun 2015 Quarter	Mar 2015 Quarter	Jun 2014 Quarter
On-Site Production Costs	US\$/ounce	839	856	1013
On-Site G&A Costs	US\$/ounce	57	68	72
By-Product Credits*	US\$/ounce	0	0	-28
Cash Costs	US\$/ounce	896	924	1,057
Royalties	US\$/ounce	28	28	23
On-Site Corporate Costs	US\$/ounce	23	17	26
Exploration Costs (Sustaining)	US\$/ounce	12	2	24
Capitalised Stripping Costs (Sustaining)	US\$/ounce	82	107	43
Capital Expenditure (Sustaining)	US\$/ounce	1	2	17
All-In Sustaining Costs**	US\$/ounce	1,042	1,080	1,190

* No credits for iron ore stockpiled during the 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 June quarter totalled 21,457 ounces at the Tucano CIL gold plant in Brazil. The June 2015 to March 2015 quarterly comparison is impacted by reduced fleet utilisation, low material mined due to heavier than average rains in the period. Consequently, higher volumes of lower grade stockpiles were used to supplement the mill feed, resulting in a reduced feed grade. The end of the June quarter mill feed included higher volumes of sulfide ore that resulted in crusher and SAG mill at reduced throughputs.

Mining

For the June 2015 quarter, 3,600,416 tonnes of ore and waste were mined and moved, an improvement of 59% over the June 2014 quarter. The June quarter material movement was mostly impacted by the wet conditions on the waste dumps, restricting the use of the larger fixed frame haulage fleet with primary reliance on the smaller articulated dump trucks.

Mining of waste and gold ore for the month of July will be ~2.2 million tonnes, an all-time record, confirming the required improvements are now in place.

Processing

During the quarter, the CIL plant throughput was 846,499 tonnes of predominantly oxide ore. The key reason for this reduction of throughput during the quarter was the increase in sulfide ore mined in June, which blended with spent ore resulted in reduced throughput. The mill feed grade for the quarter was at 0.90 g/t and the process plant recovery for the period was 89%.

Gold ore stockpiles at the end of June totalled 4.5 million tonnes @ 0.76 g/t gold for 109,000 ounces plus marginal stockpiles of 1.5 million tonnes @ 0.45 g/t gold for 21,000 ounces. Total stockpiles, including marginal stockpiles, totalled 5.9 million tonnes @ 0.68 g/t gold for 131,000 ounces.

Mine Plan Outlook and Duckhead Update

Following on from the updated resource and reserve announced in April, a new Life Of Mine (“LOM”) plan has been optimised and scheduled, resulting in a three phased open pit cutback of the Urucum and Tap AB open pits. The new LOM contains a further six years of open pit mine life from the start of 2016 producing between 160,000 – 180,000 ounces of gold per annum. The LOM does not yet include Urucum Underground, which

is subject of the current prefeasibility study to be completed by the end of this year.

The new LOM plan has **85,000 – 100,000 ounces** of gold sold in the second half of 2015. The Duckhead Stage 3 cutback (20,000 ounces @ 28.7 g/t gold) is included in this guidance. If any further unexpected delays to starting the cutback transpire a portion or all of this gold may be attributable to early 2016 production. Third party regulatory approvals are expected over the coming weeks.

RESOURCE AND RESERVE DEVELOPMENT

BRAZIL

In the June quarter, five drill rigs were operating, completing a total of 22,334 m of drilling, comprising 13,003 m of grade control RC drilling and 6,290 m of exploration / resource delineation RC drilling. A total of 3,041 m of diamond drilling was completed.

Highlights included results from the Urucum underground target where ongoing diamond drilling continues to intersect highly encouraging

results of up to **23 m @ 4.92 g/t gold, including 5 m @ 20.32 g/t gold** (see ASX release 16 June 2015).

At the Duckhead Mine Corridor, exploration auger drilling has confirmed a significant shallow oxide gold discovery at Gold Nose located 1 km southeast of the Duckhead open pit with auger results of up to **12.0 m @ 16.87 g/t gold including 7.0 m @ 27.1 g/t gold** (see ASX release 10 June 2015).

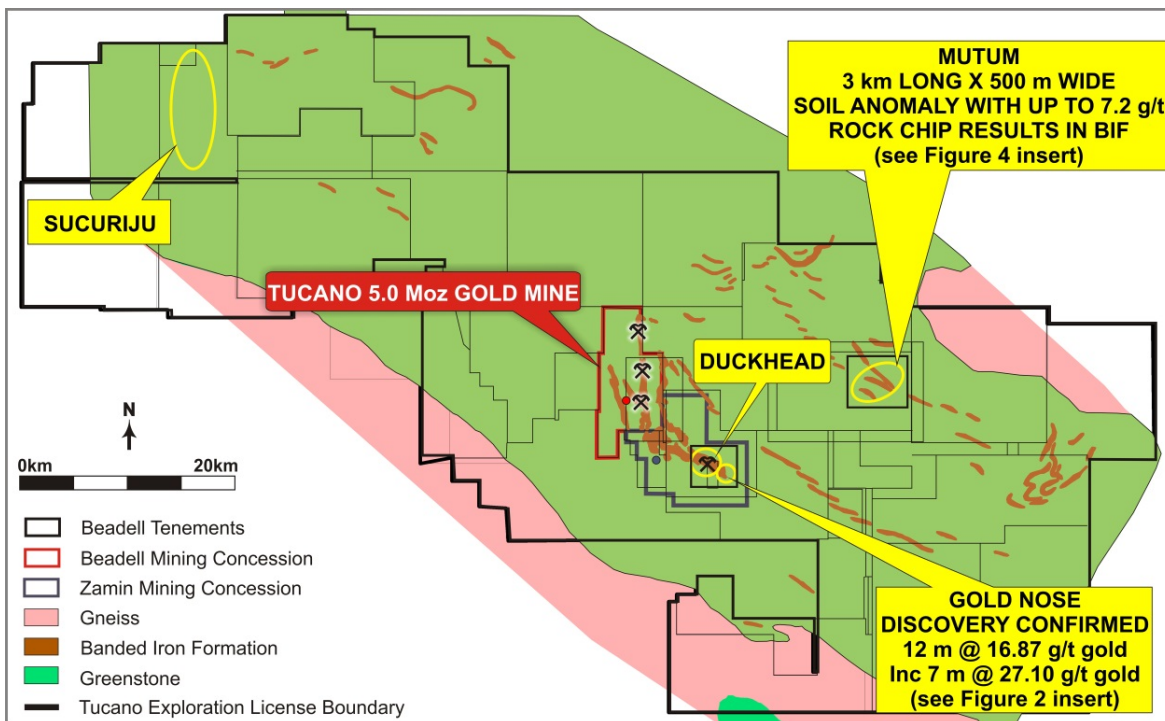


Figure 1. Tucano, Gold Nose and Mutum location plan

Duckhead Mine Corridor

Exploration auger drilling at the southeast edge of the Duckhead Mine Corridor has confirmed the **Gold Nose** discovery 1 km southeast of the Duckhead open pit with auger drilling intersecting up to **12 m @ 16.87 g/t gold** from 2 m to bottom of hole (BOH) including **7 m @ 27.10 g/t gold, including 2 m @ 75.33 g/t gold** in T06740. This auger hole T06740 was drilled 13.5 m south of the original diamond drill hole that intersected 9 m @ 6.2 g/t gold from 5.5 m including 5.5 m @ 10.1 g/t gold in FDVM153.

A summary of significant auger results received in the quarter from Gold Nose are;

- T06740 12 m @ 16.87 g/t gold from 2 m to BOH, including 7 m @ 27.10 g/t gold including 2 m @ 75.33 g/t gold
- T06737 6 m @ 1.72 g/t gold from 10 m to BOH, including 3 m @ 2.77 g/t gold
- T06753 3 m @ 12.59 g/t from 5 m and 3 m @ 1.76 g/t from 13 m
- T06754 4 m @ 1.09 g/t gold from 10 m to BOH

Follow up diamond drilling has commenced, however the program has been temporarily halted due to third party permitting delays at Duckhead.

The mineralisation intersected at Gold Nose suggests a possible stacked lode system in the apex of the regional fold nose and shows some similarities to the Duckhead deposit, being very high grade and hosted in completely oxidised saprolitic clay adjacent to a major lithological boundary.

Gold Nose is located at the southeast end of a 400 m long gold anomalous zone defined mostly by wide spaced iron ore drill holes that have been re-sampled for gold (Figure 2). To date gold mineralisation at Gold Nose has only been intersected in the near surface and remains completely open below the shallow auger drill results.

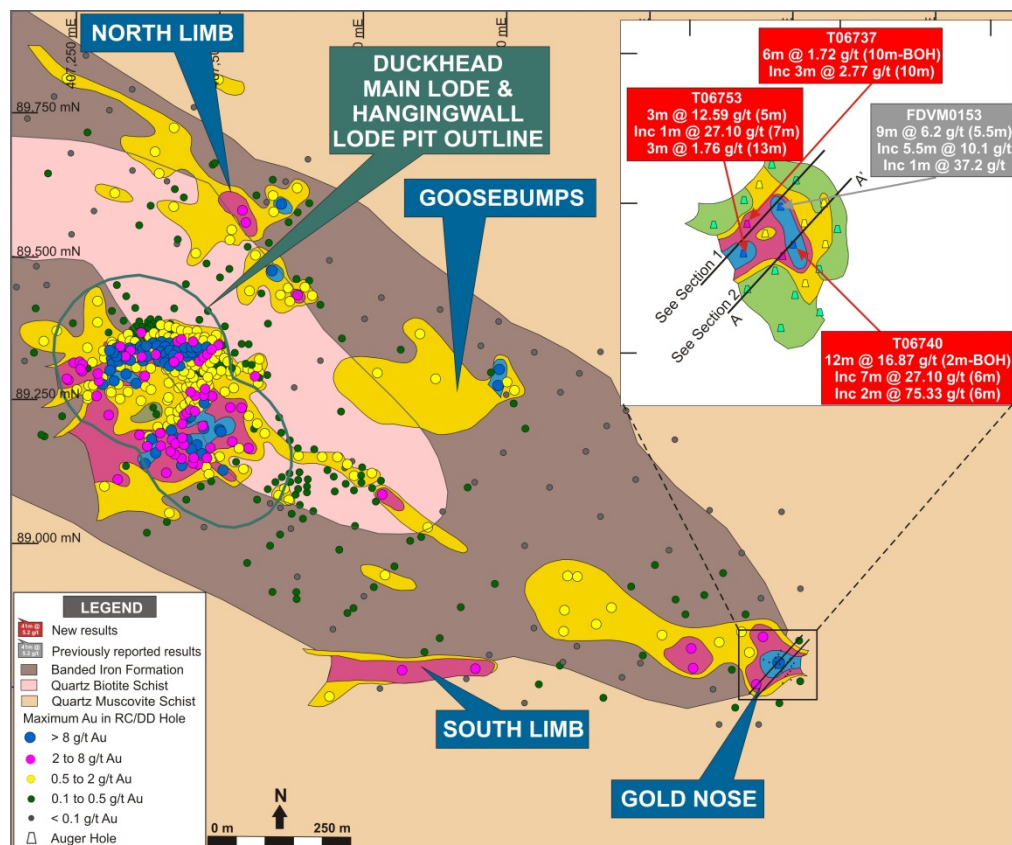


Figure 2. Duckhead Mine Corridor Plan showing maximum gold in RC / diamond drill hole contours and location inset of new Gold Nose auger results.

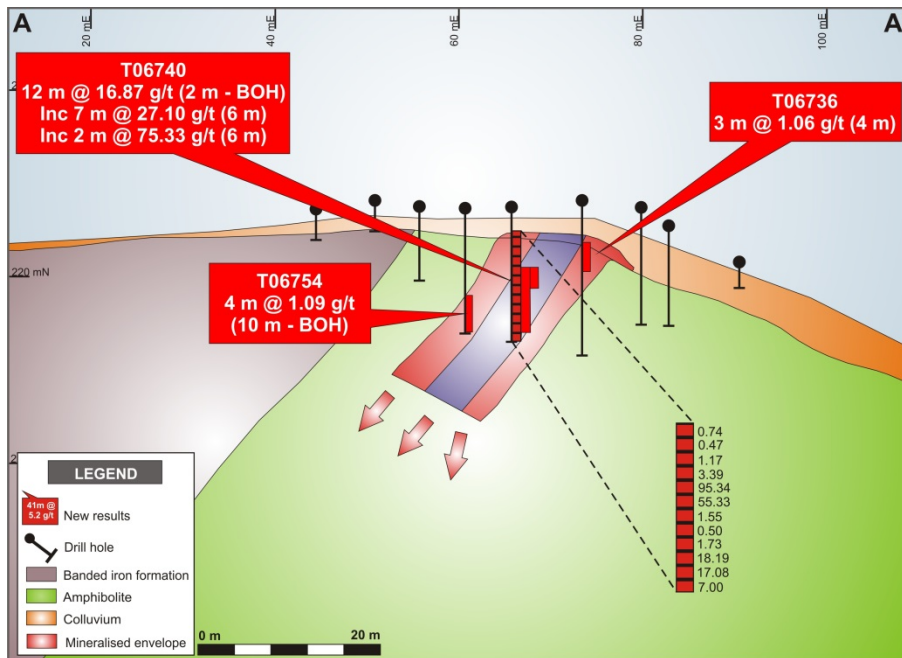


Figure 3. Gold Nose auger drill section 2

Urucum Underground

Encouraging diamond drill results continue to be received from ongoing drilling targeting Urucum Underground. Lode 1 and Lode 2 form two subparallel shear zones separated by

approximately 10-20 m (Figure 4). Another parallel footwall zone named Lode 11 has also been intersected in the drilling.

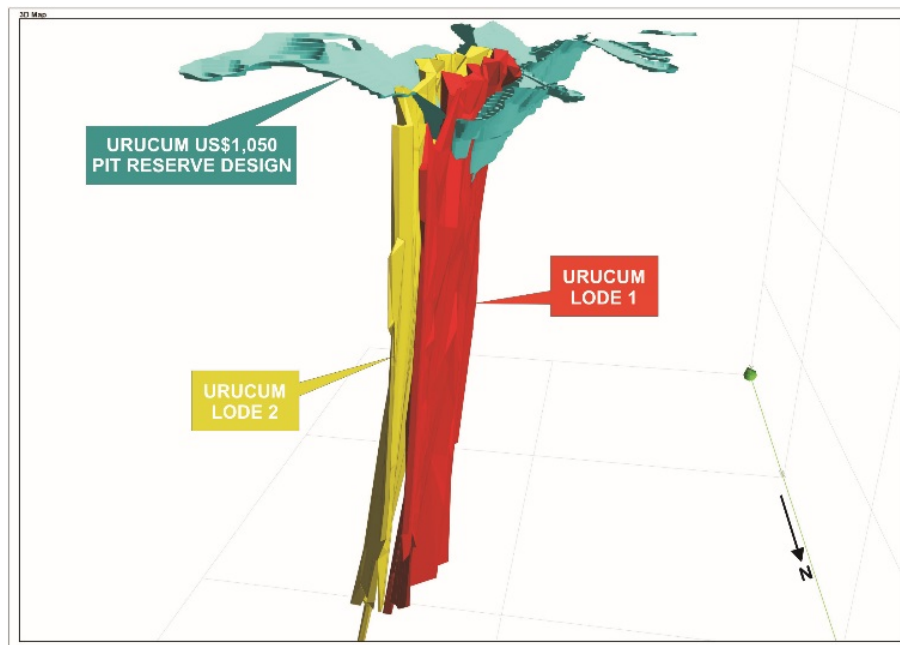


Figure 4. Urucum Lode 1 and Lode 2 looking south

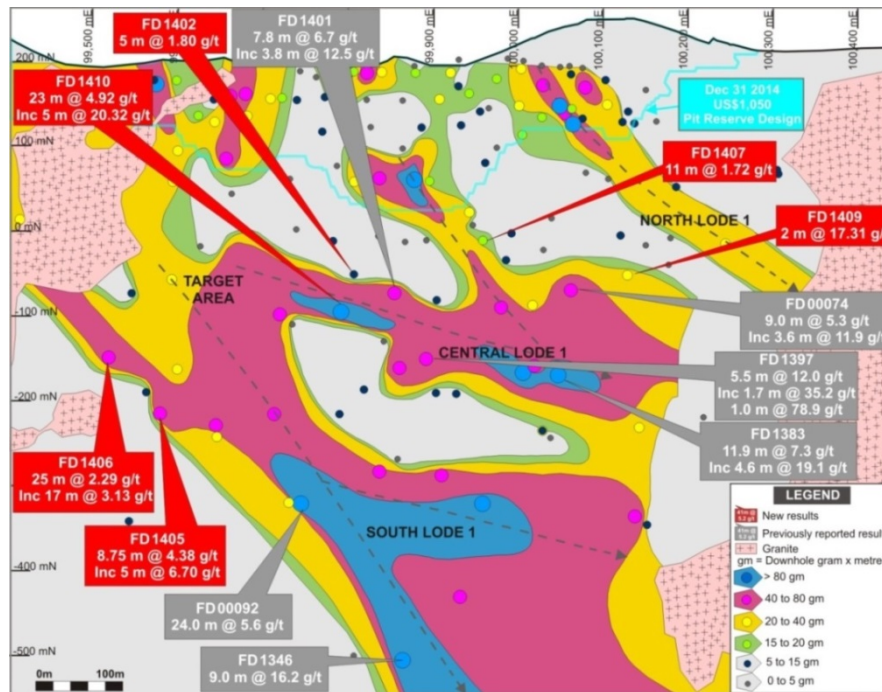
Lode 1

Lode 1 is the western parallel lode at Urucum North and a separate long section is presented in Figure 5. A significant new result in FD1410 of **23 m @ 4.92 g/t gold including 5 m @ 20.32 g/t gold** has extended the up dip strike length of Central Lode 1. A summary of the new Lode 1

results received in the quarter are summarised below.

- FD1402 5 m @ 1.80 g/t gold
- FD1405 8.75 m @ 4.38 g/t gold including 5 m @ 6.7 g/t gold

- FD1406 **25 m @ 2.29 g/t gold including 17 m @ 3.13 g/t gold**
- FD1407 **11 m @ 1.72 g/t gold**
- FD1409 **2 m @ 17.31 g/t gold**
- FD1410 **23 m @ 4.92 g/t gold including 5 m @ 20.32 g/t gold**

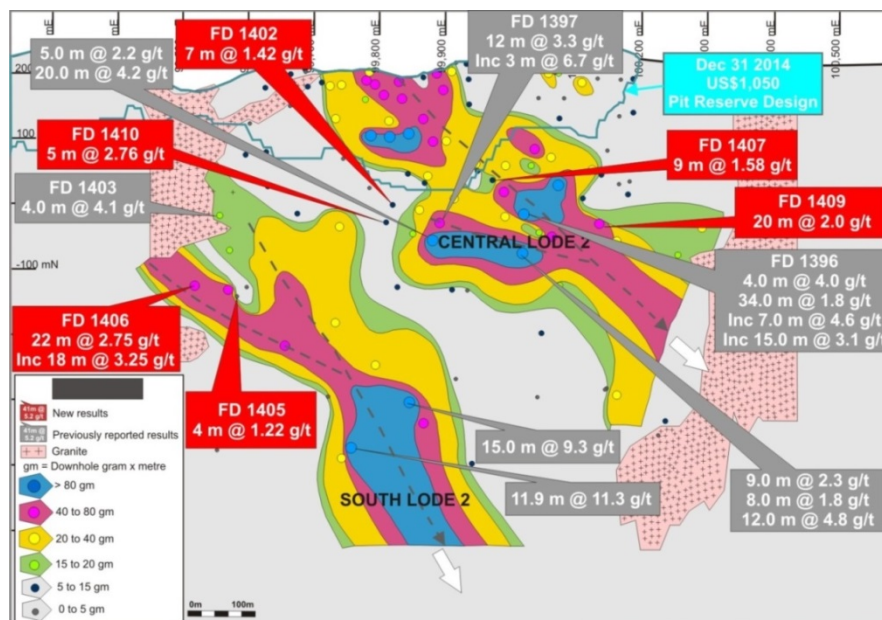


Lode 2

Lode 2 forms the eastern parallel lode at Urucum North and is generally lower grade and wider than Lode 1; however, it forms an important compliment to Lode 1 due to its close spatial proximity. New drilling results from Lode 2 are summarised below and in presented in Figure 6.

- FD1402 **7 m @ 1.42 g/t gold**

- FD1405 **4 m @ 1.22 g/t gold**
- FD1406 **22 m @ 2.75 g/t gold including 18 m @ 3.25 g/t gold**
- FD1407 **9 m @ 1.58 g/t gold**
- FD1409 **20 m @ 2.0 g/t gold**
- FD1410 **5 m @ 2.76 g/t gold**



Lode 11

Lode 11 is located immediately west of Lode 1 and is interpreted to represent the northern plunge continuation of the main Urucum South mineralisation at depth. A new drilling result from Lode 11 received in the quarter included;

- FD1405 12 m @ 4.81 g/t gold including 7 m @ 6.7 g/t gold

The Lode 11 mineralisation remains sparsely tested at depth and requires additional drilling to define the extents and significance of the lode.

EXPLORATION

BRAZIL

Tucano Regional

Surface soil sampling and mapping has defined a camp scale soil geochemical anomaly in excess of **3 km long by 500 m wide** at the **Mutum** prospect located 15 km east of Tucano (See ASX release 10 June 2015) (Figure 1). The soil sampling was done on a nominal 400 m x 40 m spacing with a peak result of **147.1 ppb gold** (Figure 7).

The **Mutum** prospect is located in a previously unexplored part of the Tucano greenstone belt and contains a similar geological setting to the 5.4 million ounces Tucano gold deposit.

The eastern part of the Mutum area has co-incident rock chip results from outcropping gossan

in Banded Iron Formation up to **7.2 g/t gold**. The eastern soil anomaly at this location is approximately 1 km long.

The size and tenor of the Mutum soil geochemical anomaly is considered to be potentially representative of a significant mineralised system and follow up first pass auger drilling followed by maiden RC and diamond drilling is being planned for this dry season and will commence in the current quarter.

Tartaruga Project (100%)

No work was completed.

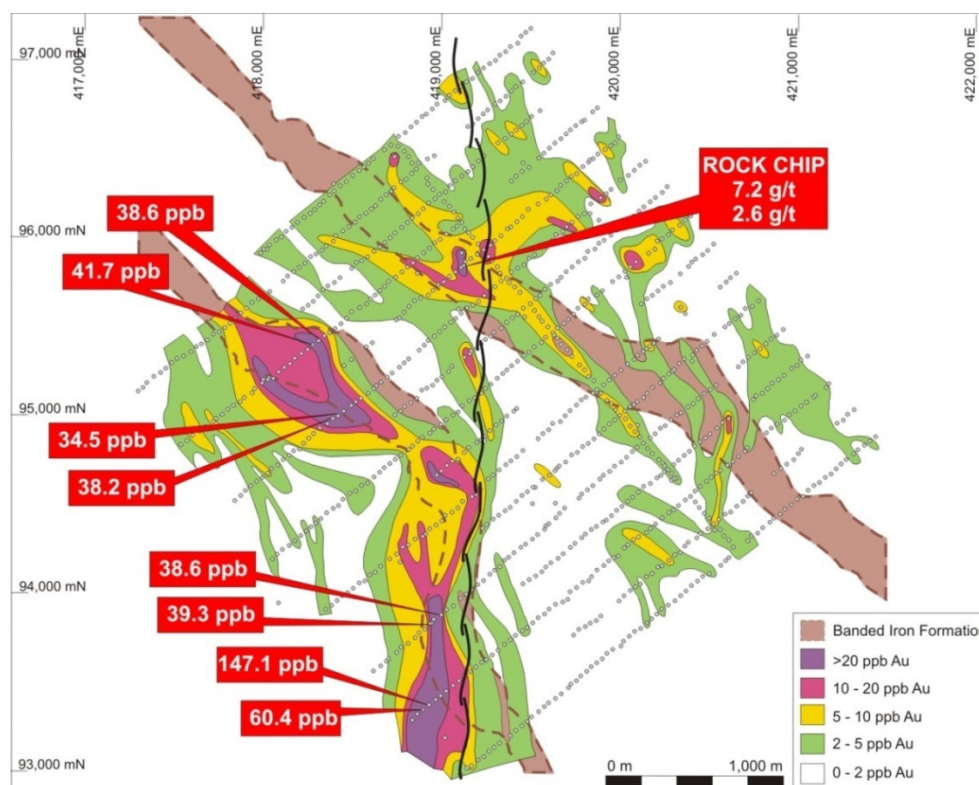


Figure 7. Mutum soil anomaly plan

WESTERN AUSTRALIA

Tropicana East Project (100%)

No work completed.

CORPORATE & FINANCE

Gold Sales

Gold sales totalled 21,045 ounces in the June quarter. The average cash price received was US\$1,185 per ounce.

Cash & Bullion

Cash and bullion as at 30 June 2015 totalled **\$22.4 million** (bullion valued at A\$1.00 = US\$0.77 and US\$1,173 per ounce) (Figure 8). 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.

During the quarter, the Company successfully paid the first instalment in accordance with the terms of

the Company's 3-year US\$60 million facility and repaid other additional credit facilities totalling **\$10 million** for the quarter.

The Company paid an **\$8 million** dividend payment to shareholders during the quarter.

Capital and Exploration Expenditure

Non-sustaining capital expenditure for the quarter was \$1.3 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 \$1.5 million.

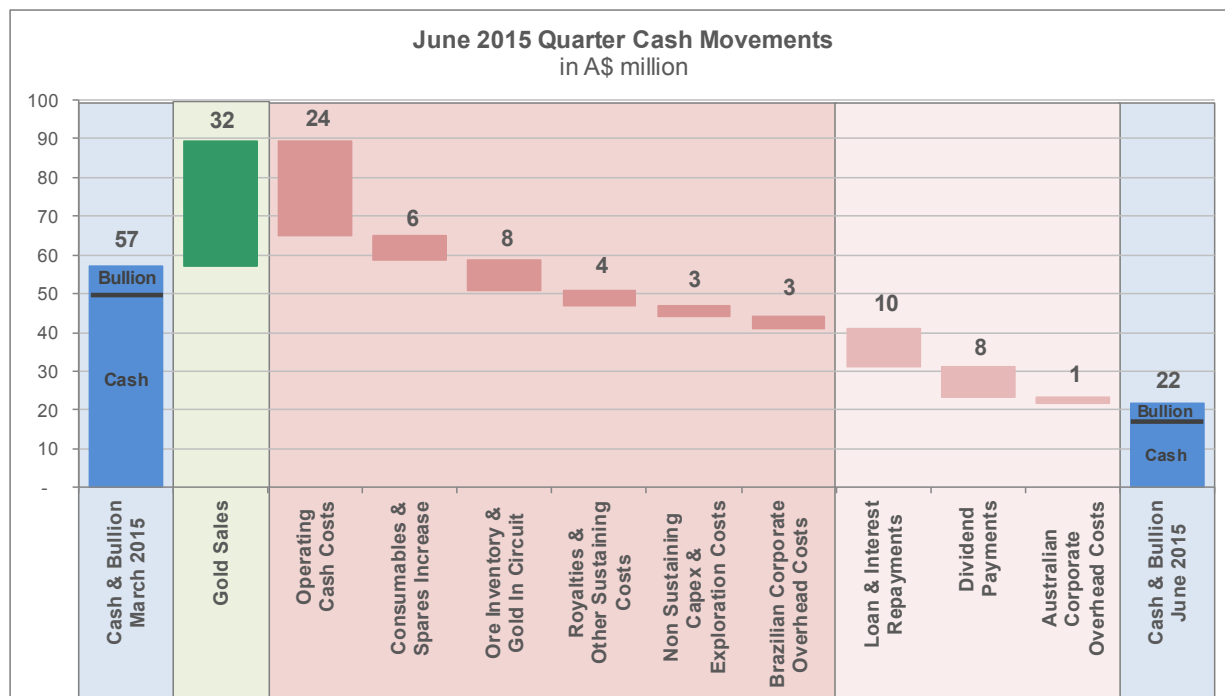


Figure 8. June 2015 Quarter Cash Movements

Currency Movements

Throughout the first half of 2015, the Brazilian Real has weakened against the US Dollar by **15%** compared with the Australian Dollar that has weakened **6%** against the US Dollar over the same period. On 30 June 2015, the Brazilian gold price was BRL\$3,701.20 per ounce, only 5% below the all-time record BRL gold price.

Impairment Testing

The Company is currently assessing its assets for impairment. Further details will be announced in due course when the assessment is complete.

CY2015 Guidance

Following on from the updated resource and reserve announced in April, a new Life Of Mine (LOM) plan has recently been optimised and scheduled, resulting in a revised guidance for half year gold sales of **85,000 – 100,000 ounces** along with AISC guidance between **US\$680 – US\$820 per ounce**. The Duckhead Stage 3 cutback (20,000 ounces @ 28.7 g/t gold) is included in this guidance. If any further unexpected delays to starting the cutback transpire, a portion or all of this gold may be attributable to early 2016 production. Third party regulatory approvals are expected over the coming weeks.

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 Pablo Diaz	General Manager - Brazil

Corporate Details:

Issued capital: 798,657,280 ordinary shares
(as at 30 June 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 is extracted from the reports entitled "Regional Exploration Update" created on 10 June 2015 and "Urucum Underground Update" created on 16 June 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.