



ASX ANNOUNCEMENT

ASX Code: **BDR**

6 May 2010

RESOURCE DRILLING TO COMMENCE - BRAZIL

Beadell Resources Limited (“**Beadell**”) is pleased to announce that yesterday a 20,000 m drilling contract has been signed with Cougar Metals NL’s 100% owned Brazilian subsidiary Geologica Sondagens Ltda for the Company’s recently acquired Brazilian Gold and Iron Ore Project. Drilling will commence next week with three diamond rigs and one reverse circulation (**RC**) drill rig operating on double shift over an initial four month period.

The drilling is primarily designed to convert Inferred Resources at the base of the current optimised pits to Indicated status for completion of an open pit mining Reserve as part of the Definitive Feasibility Study (**DFS**). Current optimised open pit resources are **26.3Mt @ 1.45 g/t for 1.2Moz** of gold of which **82%** are already in JORC Measured and Indicated resource status.

The three main deposits of Urucum, Tapereba AB and Tapereba C form a continuously mineralised structure over a > 7km north-south strike length (Figure 1). All the deposits remain open at depth with excellent potential to increase resources with ongoing drilling.

The occurrence of significant quantities of iron ore within and adjacent to the optimised gold pits (Figure 2) will also be evaluated with the drilling and potentially be modelled in conjunction with gold to enhance the optimisation of the final pit design. Preliminary discussions with Anglo Ferrous, who operate the adjoining Amapa Iron Ore Mine and Beneficiation Plant, have commenced and their exploration division is currently relogging and resampling drill holes throughout the 7 km long Banded Iron Formation that hosts the main gold deposits. Beadell has a 1% royalty (net of 2% federal tax) and an operational arrangement which allows for the recoupment of mining costs for iron ore mined by the Company and beneficiated by Anglo Ferrous.

Exposure to higher gold prices could translate into potential beneath the current optimised open pits with respect to both increasing the future open pit depths and or adding an underground component to the production profile. Current additional resources beneath the optimised open pits total **20.9Mt @ 2.21 g/t for 1.5Moz** based on a US\$1,000 per ounce underground extraction optimisation.

Exploration will immediately recommence on highly prospective near mine and regional targets including Duck Head, Sucuriju and the undrilled Rio de Ouro discovery at the nearby Tartaruga project.

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The planned drilling will also cover hydrological, geotechnical and sterilisation requirements for the DFS and an initial grade control RC component to validate the resource models within the transitional and fresh rock ore types.

Managing Director Peter Bowler said “Indicative of our people’s enthusiasm for this large project, our team has moved very quickly to commence drilling. Additionally, we are in advanced discussions with a select group of highly experienced engineering companies to initiate the Definitive Feasibility Study. This **2.9 million ounce** gold project, with the addition of significant quantities of iron ore located within and adjacent to the optimised gold pits is showing all the hallmarks of an outstanding deep value acquisition.”

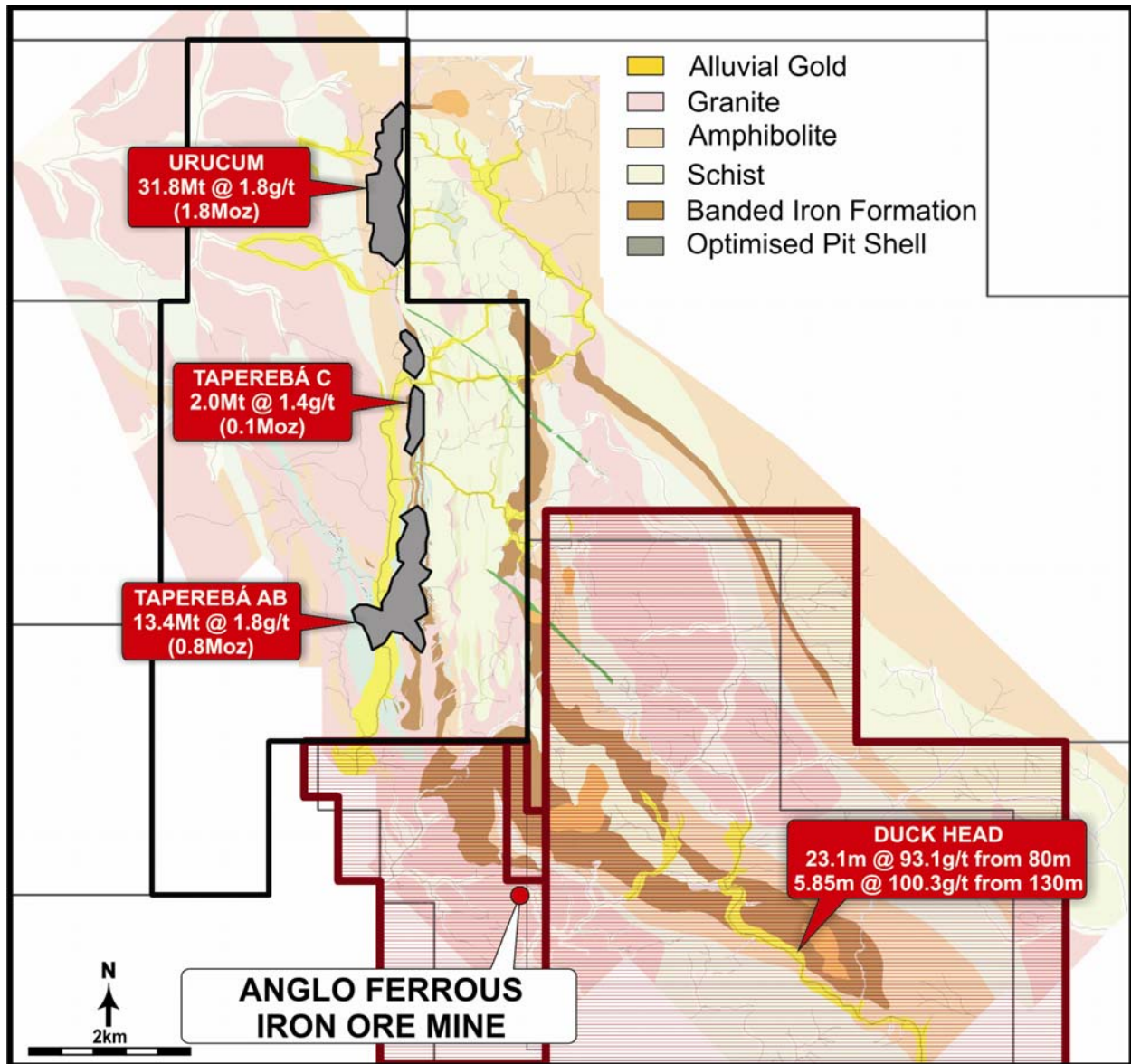


Figure 1. Amapari geology plan showing location of optimised gold pits and Anglo Ferrous Iron Ore Mine

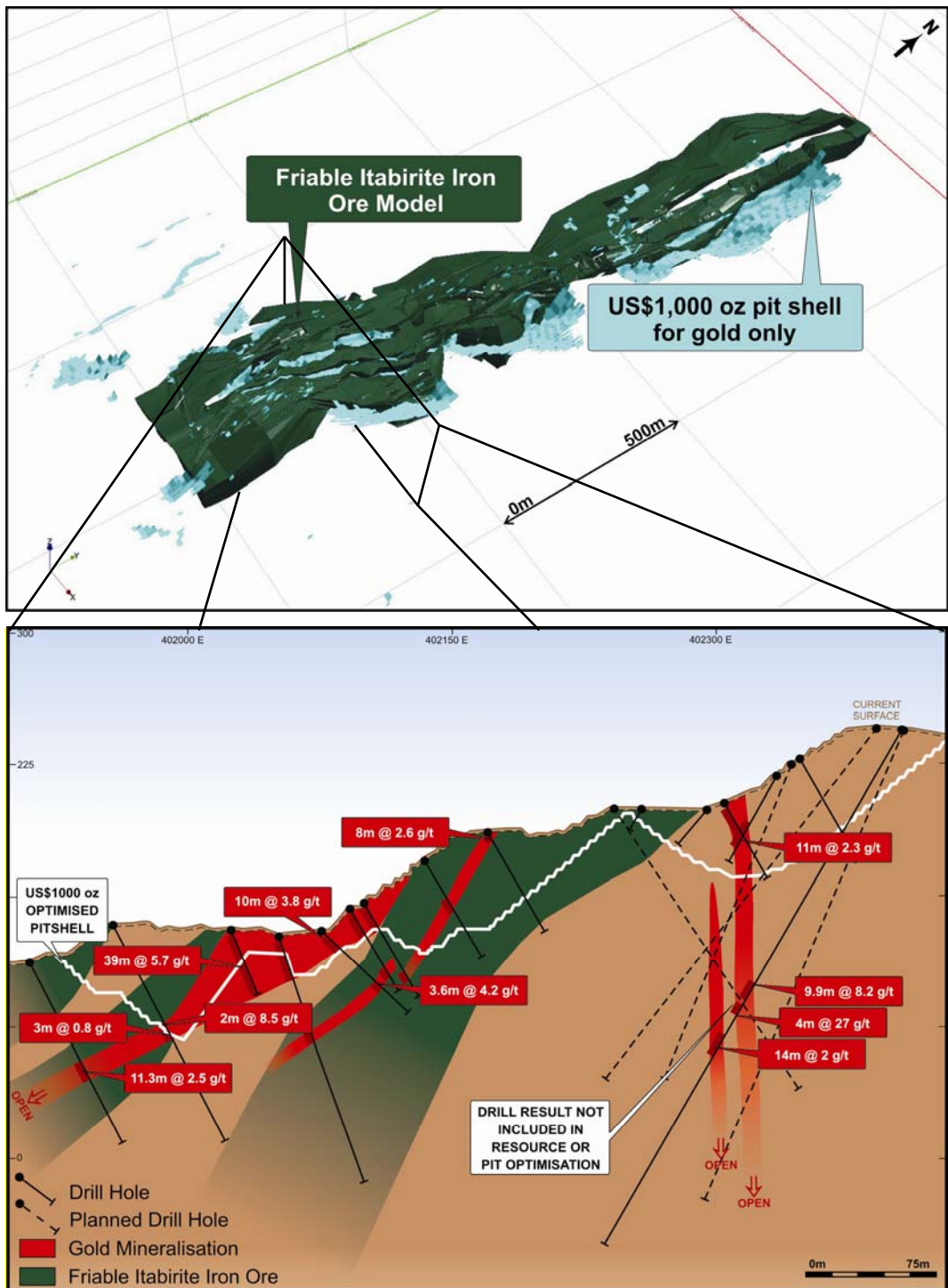


Figure 2. Tapereba AB 3D image showing current optimized gold pit with friable itabirite iron ore and 93760N Drill Cross Section.

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Competency Statement

The information in this report relating to Exploration Results and Mineral Resources is based on information compiled by Mr Robert Watkins who is a member of the Australian 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 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Watkins is a full time employee of Beadell Resources Ltd. 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.