



ASX ANNOUNCEMENT
ASX Code: **BDR**

5 May 2016

EXPLORATION UPDATE

- Further high grade results from Gold Nose endorse resource potential of a developing zone of gold mineralisation at the southeast end of the Duckhead trend. Highlights include:

FVM552	9 m @ 5.79 g/t from 46 m including 4 m @ 12.05 g/t from 49 m;
FVM553	4 m @ 4.78 g/t from 17 m;
FVM557	8 m @ 14.43 g/t from 41 m including 2 m @ 53.79 g/t from 41 m

- Reconnaissance drilling at the early-stage Mutum target, 20 km east of Tucano, verifies the origin of the 4 km gold-in-soil anomaly. Highlights include:

PFMT100	2 m @ 4.71 g/t from 8 m to bottom of hole;
PFMT122	7 m @ 5.13 g/t from 6 m including 3 m @ 9.95 g/t from 6 m;
PFMT170	2 m @ 1.13 g/t from 16 m to bottom of hole

- Drilling is ongoing at Trough lode under the Tap AB1 pit and more results are expected shortly.

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Beadell Resources Limited (“**Beadell**” or “the **Company**”) is pleased to announce results from recent near mine and district exploration programs at Tucano (Figures 1-3, Table 1 & 2).

These results continue to support the Company’s strong belief in the exploration potential at the Tucano project. Resource conversion drilling (e.g., Tap AB1 Trough Lode) and delineation of near-mine targets with the potential to extend future mine life will continue throughout 2016. Early stage district opportunities such as Mutum, will also continue to be targeted. The Tucano exploration budget for 2016 is US\$7 million.

Commenting, Simon Jackson, CEO and Managing Director said:

“These strong results further support our belief that the existing Tucano resource lies within a district scale area of gold mineralisation. Our ongoing exploration efforts will continue to try and delineate the scope of the various mineralised structures in the Tucano region. The high grade results at Gold Nose, about 1 km from the Duckhead haul road, have the potential to provide additional sources of near term high grade oxide feed for the Tucano mill. The Mutum results are an illustration of the tremendous potential of the many unexplored BIF units in the Tucano region. Beadell has an under explored, exciting exploration portfolio within potential trucking distance of the Tucano plant.”

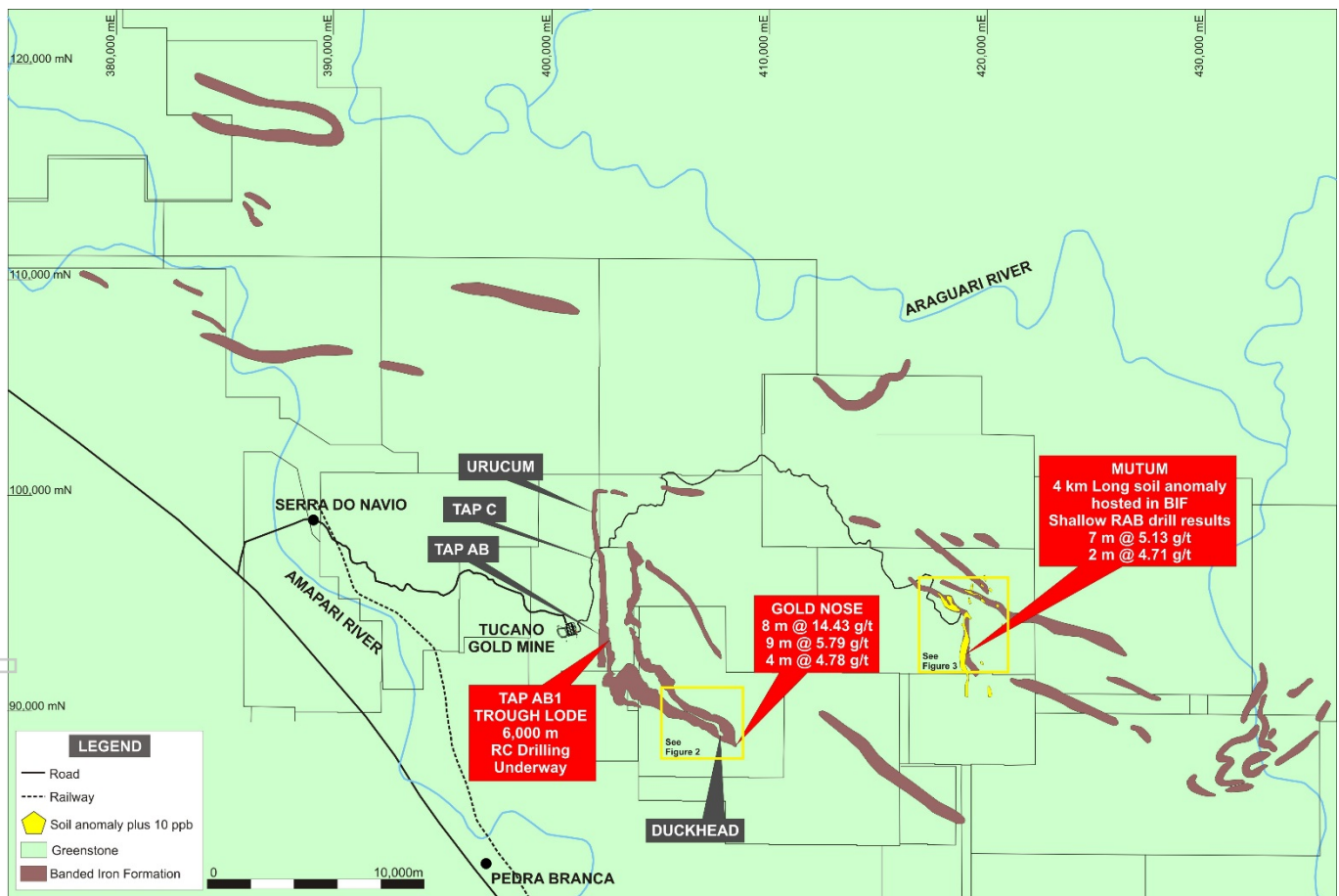


Figure 1. Tucano near Mine and district greenstone map showing location of new drill results

Gold Nose

The Gold Nose target is located 1 km southeast of the Duckhead pits and is hosted in a similar geologic setting (Figure 2). Results from a small 9 hole, 450 m RC drilling program completed earlier this year have extended mineralisation further down dip from previous drilling to reveal an oxide gold lode dipping shallowly west. Best results from the program include:

- FVM552 9 m @ 5.79 g/t from 46 m including 4 m @ 12.05 g/t from 49 m
- FVM553 4 m @ 4.78 g/t from 17 m
- FVM557 8 m @ 14.43 g/t from 41 m including 2 m @ 53.79 g/t from 41 m

Full results are presented in Table 1. Additional drilling is planned in 2016 to assess the economic potential of a small oxide pit at Gold Nose, which could supply additional high grade oxide ore to the Tucano plant.

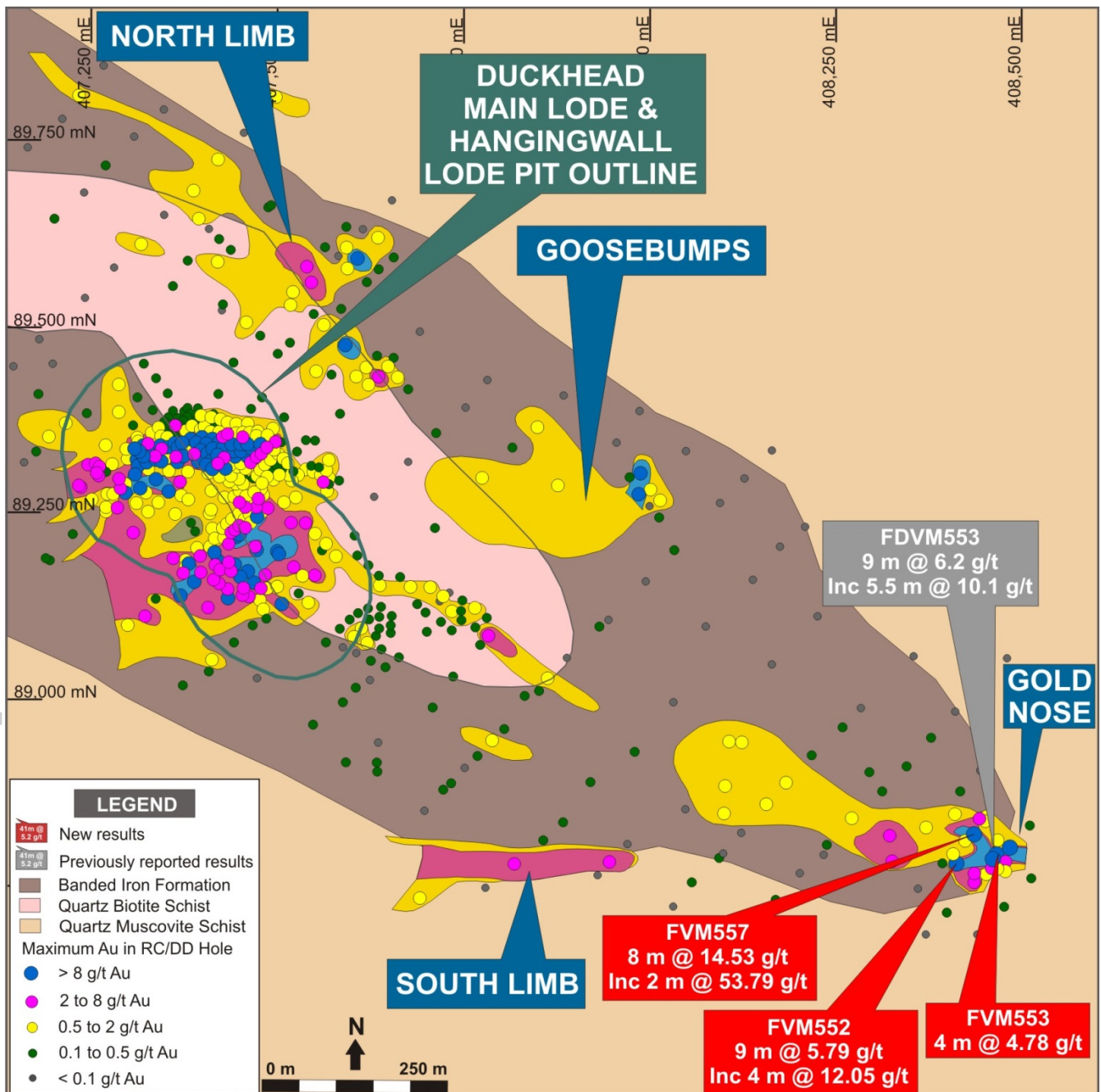


Figure 2. Duckhead Mine Corridor showing location of new Gold Nose Drill results

Mutum

Reconnaissance drilling at the 100% owned Mutum target, 20 km east of Tucano, has confirmed the *in situ* origin of a 4 km long gold-in-soil geochemical anomaly. This is the first targeted drilling program completed by Beadell on an early-stage target outside of the Tucano mining licenses. The new results are highly encouraging and reinforce our view of the potential for the Tucano greenstone belt to deliver new gold discoveries in the future.

Between late 2015 and early 2016, 178 shallow holes were completed by a track-mounted blast-hole rig for a total of 2,911 metres. This first pass drill program penetrated the hard laterite cover and achieved a deeper test of the regolith profile than conventional auger sampling. Holes generally averaged 16 metres deep and all ended in fully oxidised saprolite.

Results from the drilling program have outlined a 2 km long north-south orientated mineralised trend coincident with the soil anomaly. Mineralisation is associated with a banded iron formation interpreted to be gently west-dipping and in a similar geological setting to Tucano (Figures 1 & 3). The wide spaced drill program intersected broad zones of gold anomalism in the regolith, often ending in mineralisation. All results are presented in Table 2 with significant results including:

- PFMT100 2 m @ 4.71 g/t from 8 m to bottom of hole
- PFMT122 7 m @ 5.13 g/t from 6 m including 3 m @ 9.95 g/t from 6 m
- PFMT170 2 m @ 1.13 g/t from 16 m to bottom of hole
- PFMT173 3 m @ 0.64 g/t from surface

Additional drilling is planned with the blast hole rig to define the full extent of anomalous mineralisation at Mutum. An initial phase of angled RC drilling will also be completed to enable a deeper test of the saprolite profile and underlying bedrock. Work is expected to recommence in the second half of the year.

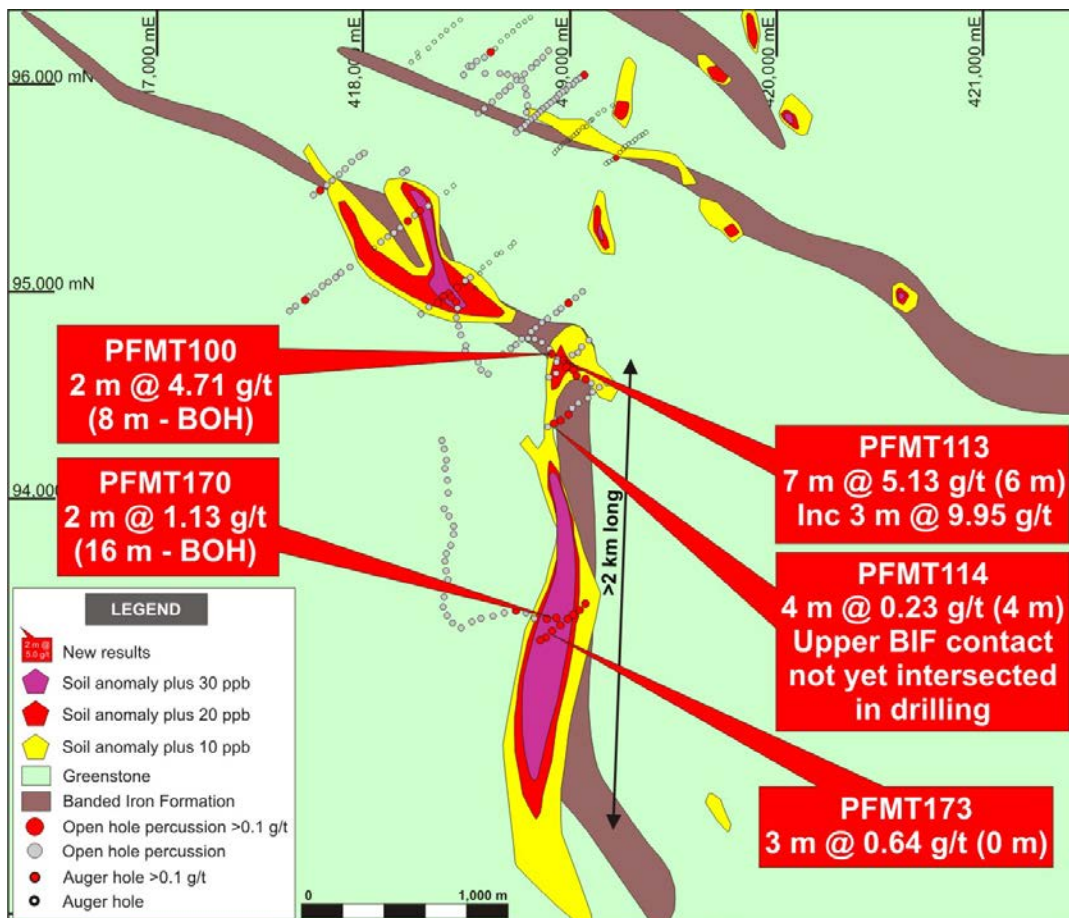


Figure 3. Mutum Plan showing location of new drill results

Exploration Outlook

Over the past several months, the exploration and mine geology teams have completed a ranking and prioritisation exercise of near mine and district exploration targets. A full year exploration budget of US\$ 7million has been approved to fund an exploration plan which sets out to achieve the following objectives:

- Continuing to replenish reserves with emphasis on incremental oxide resources proximal to the plant with a low stripping ratio;
- Deliver on high-value, near-mine resource extensions (including extensions of high grade lodes in the Urucum underground resource) to extend mine life at Tucano;
- Advancement of early-stage district targets to the development pipeline ensuring the long term operating future at Tucano.

The Company will continue to report back periodically on results of the exploration program throughout the rest of 2016.

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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.

Table 1
Gold Nose RC drill results

Target	Hole	North	East	RL	Dip	Az	From (m)	To (m)	Width (m)	Gold (g/t)
Gold Nose	FVM550	88,843	408,453	248	-60	045	31	34	3	0.83
Gold Nose	FVM551	88,787	408,411	239	-50	051	42	50	8	0.80
Gold Nose	FVM552	88,782	408,412	238	-50	100	46 Inc 49	55 53	9 4	5.79 12.05
Gold Nose	FVM553	88,780	408,467	231	-90	0	17	21	4	4.78
Gold Nose	FVM554	88,774	408,459	230	-90	0	16	21	5	1.09
Gold Nose	FVM555	88,770	408,449	230	-90	0	14	28	14	0.68
Gold Nose	FVM556	88,767	408,440	229	-90	0	10 27	13 30	3 3	1.42 0.72
Gold Nose	FVM557	88,817	408,435	249	-90	0	41 Inc 41	49 43	8 2	14.43 53.79
Gold Nose	FVM558	88,835	408,450	248	-60	120	30	32	2	0.89

All intercepts are reported as downhole intervals using a 0.5 g/t gold lower cut off and no greater than 2 m internal dilution.

Table 2

Mutum RAB drill results

Target	Hole	North	East	RL	Dip	Az	From (m)	To (m)	Width (m)	Gold (g/t)
Mutum	PFMT0001	96,046	419,061	160	-90	0	0 8	1 9	1 1	0.20 0.13
Mutum	PFMT0034	96,160	418,608	209	-90	0	4	5	1	1.23
Mutum	PFMT0063	95,344	418,212	197	-90	0	9	13	4	0.14
Mutum	PFMT0065	95,394	418,273	204	-90	0	7	11	4	0.23
Mutum	PFMT0076	94,964	417,717	253	-90	0	12	13	1	0.43
Mutum	PFMT0081	95,024	418,449	204	-90	0	0	2	2	0.15
Mutum	PFMT0082	94,995	418,416	209	-90	0	2 Incl 3	10 5	8 2	0.38 0.99
Mutum	PFMT0083	94,980	418,387	208	-90	0	4	5	1	0.11
Mutum	PFMT0084	94,949	418,356	209	-90	0	5 Incl 5	15 6	10 1	0.19 0.53
Mutum	PFMT0097	94,946	418,993	213	-90	0	10	11	1	0.23
Mutum	PFMT0100	94,669	418,973	212	-90	0	8	10 (BOH)	2	4.71*
Mutum	PFMT0114	94,408	418,995	177	-90	0	4 13	8 14	4 1	0.23 0.16
Mutum	PFMT0115	94,380	418,958	183	-90	0	2 7	3 10	1 3	0.14 0.12
Mutum	PFMT0116	94,368	418,929	189	-90	0	7	9	2	0.33
Mutum	PFMT0119	94,580	419,077	184	-90	0	1 9	2 11	1 2	0.13 0.13
Mutum	PFMT0120	94,599	419,037	197	-90	0	0	4	4	0.1
Mutum	PFMT0121	94,624	419,017	199	-90	0	0 Incl 6 14	11 7 15	11 1 1	0.33 1.48 0.28
Mutum	PFMT0122	94,642	418,986	211	-90	0	5 Incl 6	18 13	13 7	2.87 5.13*
Mutum	PFMT0124	94,700	418,916	223	-90	0	4	5	1	0.11
Mutum	PFMT0139	94,952	418,446	219	-90	0	3 9	6 10	3 1	0.22 0.11
Mutum	PFMT0140	94,978	418,425	214	-90	0	2	7	5	0.14
Mutum	PFMT0166	93,460	418,745	228	-90	0	6	8	2	0.38
Mutum	PFMT0169	93,420	418,895	231	-90	0	6	7	1	0.1
Mutum	PFMT0170	93,427	418,946	231	-90	0	15 16	18 18 (BOH)	3 2	0.81 1.13*
Mutum	PFMT0171	93,317	418,862	209	-90	0	1	3	2	0.13
Mutum	PFMT0172	93,331	418,893	225	-90	0	3	12	9	0.22
Mutum	PFMT0173	93,362	418,924	234	-90	0	0 Incl 0	10 3	10 3	0.32 0.64*
Mutum	PFMT0174	93,390	418,965	237	-90	0	2 7	14 (BOH) 8	12 1	0.24 0.55
Mutum	PFMT0175	93,421	418,997	242	-90	0	3	15 (BOH)	12	0.28
Mutum	PFMT0176	93,443	419,024	229	-90	0	1	9	8	0.16
Mutum	PFMT0177	93,466	419,057	232	-90	0	2	5	3	0.22

Target	Hole	North	East	RL	Dip	Az	From (m)	To (m)	Width (m)	Gold (g/t)
Mutum	PFMT0178	93,494	419,084	235	-90	0	2 14	10 15 (BOH)	8 1	0.15 0.19

All intercepts are reported as downhole intervals using a 0.1 g/t gold lower cut off and no greater than 2 m internal dilution.

* Intercept reported using a 0.5 g/t gold lower cut off and no greater than 2 m internal dilution

BOH = Bottom of hole

Section 1 Sampling Techniques and Data

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

Criteria	JORC Code explanation	Commentary
Sampling techniques	<i>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.</i>	For RC and RAB drilling the entire 1m RC samples were obtained and split 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. For diamond core, half core is measured, logged and then cut, crushed and pulverised at the Tucano site sample preparation laboratory.
	<i>Include reference to measures taken to ensure sample representivity and the appropriate calibration of any measurement tools or systems used.</i>	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.
	<i>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.</i>	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 duplicate samples of the same interval are also sent to ACME laboratories for analysis.
Drilling techniques	<i>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,</i>	A 5.5" diameter face sampling hammer was used for RC drilling. For RAB drilling and open hole hammer was used. For diamond drilling NQ size core is produced.

	<i>whether core is oriented and if so, by what method, etc.).</i>	
<i>Drill sample recovery</i>	<i>Method of recording and assessing core and chip sample recoveries and results assessed.</i>	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. All core is orientated and measured for recovery
	<i>Measures taken to maximise sample recovery and ensure representative nature of the samples.</i>	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 rod and the cyclone cleaned at the completion of every hole.
	<i>Whether a relationship exists between sample recovery and grade and whether sample bias may have occurred due to preferential</i>	Sample recoveries for RC holes were high within the mineralised zones. No significant bias is expected.
<i>Logging</i>	<i>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.</i>	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. All core was orientated and geotechnically logged and recorded.
	<i>Whether logging is qualitative or quantitative in nature. Core (or costean, channel, etc.) photography.</i>	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.
	<i>The total length and percentage of the relevant intersections logged.</i>	All drill holes are logged in full.
<i>Sub-sampling techniques and sample preparation</i>	<i>If core, whether cut or sawn and whether quarter, half or all core taken.</i>	Core holes and half core sampled from cut core.
	<i>If non-core, whether riffled, tube sampled, rotary split, etc. and whether sampled wet or dry.</i>	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 RAB drilling the entire sample was collected and then split in the site laboratory
	<i>For all sample types, the nature, quality and appropriateness of the sample preparation technique.</i>	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.
	<i>Quality control procedures adopted for all sub-sampling stages to maximise representivity of samples.</i>	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 Tucano 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.
	<i>Measures taken to ensure that the sampling is representative of the in situ material collected, including for instance results for field duplicate/second-half sampling.</i>	Filed duplicate samples are collected every 20 th samples.

	<i>Whether sample sizes are appropriate to the grain size of the material being sampled.</i>	<p>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.</p> <p>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.</p>
Quality of assay data and laboratory tests	<i>The nature, quality and appropriateness of the assaying and laboratory procedures used and whether the technique is considered partial or total.</i>	All resource or exploration holes (prefix FD, F, FVM, PFMT) 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. Selected Screen fire analysis was performed on selected intervals where coarse gold was observed.
	<i>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.</i>	Geophysical tools not used.
	<i>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.</i>	<p>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.</p> <p>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.</p>
Verification of sampling and assaying	<i>The verification of significant intersections by either independent or alternative company personnel.</i>	The high grade intersections of core and RC have been observed by company geologists.
	<i>The use of twinned holes.</i>	No twin holes have yet been drilled due to the early stage nature of the prospects but will be considered in the future
	<i>Documentation of primary data, data entry procedures, data verification, data storage (physical and electronic)</i>	All geological logging information is entered directly into Logchief and synchronised with the Datashed database. Other field data (e.g. sampling sheets, downhole surveys

	<i>protocols.</i>	etc.) are entered into excel spreadsheets formatted for Dashed importation. Lab assay reports are directly imported into Dashed 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.
	<i>Discuss any adjustment to assay data.</i>	Data below the detection limit is defined with a negative value, e.g. $<0.01 = -0.01$.
<i>Location of data points</i>	<i>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.</i>	Beadell drill hole 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.
	<i>Specification of the grid system used.</i>	The grid system is SAD 69 Zone 22N.
	<i>Quality and adequacy of topographic control.</i>	Beadell Brasil Ltda Survey Staff generated a digital terrain model (DTM) from Total Station surface pickups of the Tucano deposit.
<i>Data spacing and distribution</i>	<i>Data spacing for reporting of Exploration Results.</i>	At Gold Nose hole spacing is approximately 40m (SE) by 10m (NE). Exploration drill spacing typically is done at 40m (E) x 80m (N). At Mutum reconnaissance hole spacing is a nominal 40m x 400 m however several lines are greater than 1km apart.
	<i>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.</i>	For Gold Nose 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. At Mutum further drilling is required before any resource classification can be used.
	<i>Whether sample compositing has been applied.</i>	No sample compositing has been applied in the field within the mineralised zones.
<i>Orientation of data in relation to geological structure</i>	<i>Whether the orientation of sampling achieves unbiased sampling of possible structures and the extent to which this is known, considering the deposit type.</i>	The majority of drilling is orientated north-east or vertical at Gold Nose, which is roughly perpendicular to the strike of the mineralisation.
	<i>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.</i>	Sectional interpretation of drill 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.
<i>Sample security</i>	<i>The measures taken to ensure sample security.</i>	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.
<i>Audits or reviews</i>	<i>The results of any audits or reviews of sampling techniques and data.</i>	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. A similar audit was completed in 2015.
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Section 2 Reporting of Exploration Results

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

Criteria	JORC Code explanation	Commentary
<i>Mineral tenement and land tenure status</i>	<i>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.</i>	The Mutum prospect is 100% owned and resides in tenement 858.124/2013 held by Beadell Recursos Mineração Ltda, centrally located within the northern state of Amapa, Brazil. The Gold Nose prospect is located on third party controlled Mining Concession 852.730/1993. Beadell owns 100% of the gold rights to this tenement and access is governed by the Duckhead Gold Rights Agreement.
	<i>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.</i>	Gold Nose is located in an existing iron ore mining concession.
<i>Exploration done by other parties</i>	<i>Acknowledgment and appraisal of exploration by other parties.</i>	Beadell Resources discovered the Mutum and Gold Nose deposits.
<i>Geology</i>	<i>Deposit type, geological setting and style of mineralisation.</i>	The Tucano deposits are structurally controlled orogenic lode type gold deposit hosted within a Banded Iron Formation unit in contact with a Clastic quartz biotite schist. The Lodes are characterised by shear parallel disseminated pyrite and pyrrhotite mineral assemblages and generally exhibit a strong oxidation profile in the regolith without any secondary dispersion other than colluvial deposits.
<i>Drill hole Information</i>	<i>A summary of all information material to the understanding of the exploration results including a tabulation of the following information for all Material drill holes:</i> <ul style="list-style-type: none"> o <i>easting and northing of the drill hole collar</i> o <i>elevation or RL (Reduced Level – elevation above sea level in metres) of the drill hole collar</i> o <i>dip and azimuth of the hole</i> o <i>down hole length and interception depth</i> o <i>hole length.</i> 	See Table 1
	<i>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.</i>	

<i>Data aggregation methods</i>	<i>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.</i>	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. At Mutum a lower cut off of 0.1 g/t has also been used to show the tenor of the halo mineralisation in the first pass and wide spaced reconnaissance drilling.
	<i>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.</i>	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.
	<i>The assumptions used for any reporting of metal equivalent values should be clearly stated.</i>	No metal equivalents are used at Tucano.
<i>Relationship between mineralisation widths and intercept lengths</i>	<i>These relationships are particularly important in the reporting of Exploration Results.</i>	The drilling was designed to intersect the mineralisation at an angle that is roughly perpendicular to the overall strike. At Gold Nose and Mutum, the mineralisation is interpreted to be gently dipping and orthogonal to the drilling, therefore the downhole intervals approximate true width.
	<i>If the geometry of the mineralisation with respect to the drill hole angle is known, its nature should be reported.</i>	
	<i>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’).</i>	All drill intersections are stated as down hole lengths.
<i>Diagrams</i>	<i>Appropriate maps and sections (with scales) and tabulations of intercepts should be included for any significant discovery being reported These should include, but not be limited to a plan view of drill hole collar locations and appropriate sectional views.</i>	See diagrams in main body of the announcement.
<i>Balanced reporting</i>	<i>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.</i>	All the significant results greater than 0.5 g/t gold over at least 2m downhole have been reported in Table 1 and Table 2. At Mutum 0.1 g/t gold intervals were also reported.
<i>Other substantive exploration data</i>	<i>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.</i>	The Gold Nose mineralisation shows some similarities to the high grade duckhead deposit located 1 km along trend. Both Gold Nose and Mutum are early stage exploration discoveries and therefore do not have detailed additional geological data.

<i>Further work</i>	<i>The nature and scale of planned further work (e.g. tests for lateral extensions or depth extensions or large-scale step-out drilling).</i> <i>Diagrams clearly highlighting the areas of possible extensions, including the main geological interpretations and future drilling areas, provided this information is not commercially sensitive.</i>	Gold Nose and Mutum are early stage discoveries that will require follow up drilling. Several diagrams have been included to highlight this aspect.
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