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# Improving Gold Producer with Big Exploration Potential

October 2016

Picture taken from Monkey Hill looking north

# Disclaimer



## ■ Forward Looking Statements

These materials include forward looking statements. Forward looking statements inherently involve subjective judgement and analysis and are subject to significant uncertainties, risks and contingencies, many of which are outside the control of, and may be unknown to, the company.

Actual results and developments may vary materially from that expressed in these materials. The types of uncertainties which are relevant to the company may include, but are not limited to, commodity prices, political uncertainty, changes to the regulatory framework which applies to the business of the company and general economic conditions. Given these uncertainties, readers are cautioned not to place undue reliance on forward looking statements.

Forward looking statements in these materials speak only at the date of issue. Subject to any continuing obligations under applicable law or any relevant stock exchange listing rules, the company does not undertake any obligation to publicly update or revise any of the forward looking statements, changes in events, conditions or circumstances on which any such statement is based.

## ■ Competency statement

The information in this report relating to Mineral Resource, Open Pit Ore Reserves and Exploration Results is 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 the Head of Geology 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, data quality and geological interpretation 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 in this report relating to resource estimation is based on information compiled by Mr Marcelo Antonio Batelochi who is a chartered professional 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 Batelochi is a consultant from MB Soluções em Geologia e Mineração Ltda 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 "Ore Reserve and Mineral Resource Update" created on 14 April 2016, "Exploration Update" created on 5 May 2016, "High Grade Tap AB1 Trough Lode Continues To Grow" created on 20 June 2016, "More High Grade Results from AB1, AB2, AB Sul and Duckhead" created on 1 August 2016 and "Tucano Exploration Update" created on 10 October 2016 and are available to view on [www.beadellresources.com.au](http://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.

- 100% owner of Tucano, Brazil's third largest gold mine
- Tucano operation improving – physical operation going well – better grade in the second half of 2016
- Multi-million ounce gold resource<sup>1</sup> with district scale exploration potential
  - Mineral resources 67.2 Mt @ 1.64 g/t for 3.5 Moz<sup>1</sup>
  - Open pit reserves 21.1 Mt @ 1.50 g/t for 1.0 Moz<sup>1</sup>
  - Underground reserves 3.0 Mt @ 3.61 g/t for 345,000 oz<sup>1</sup>
- Robust LOM open pit plan of at least five years, with additional underground potential
- Experienced Board and management team aiming to grow to become an intermediate producer
- CY2016 production forecast of 145,000-160,000 ounces of gold
- CY2016 AISC forecast of between US\$715-US\$815 per ounce



Drill rig at the top of Monkey Hill

1. Refer to resource and reserve tables available on [www.beadellresources.com.au](http://www.beadellresources.com.au)

## CORPORATE INFORMATION: ASX BDR

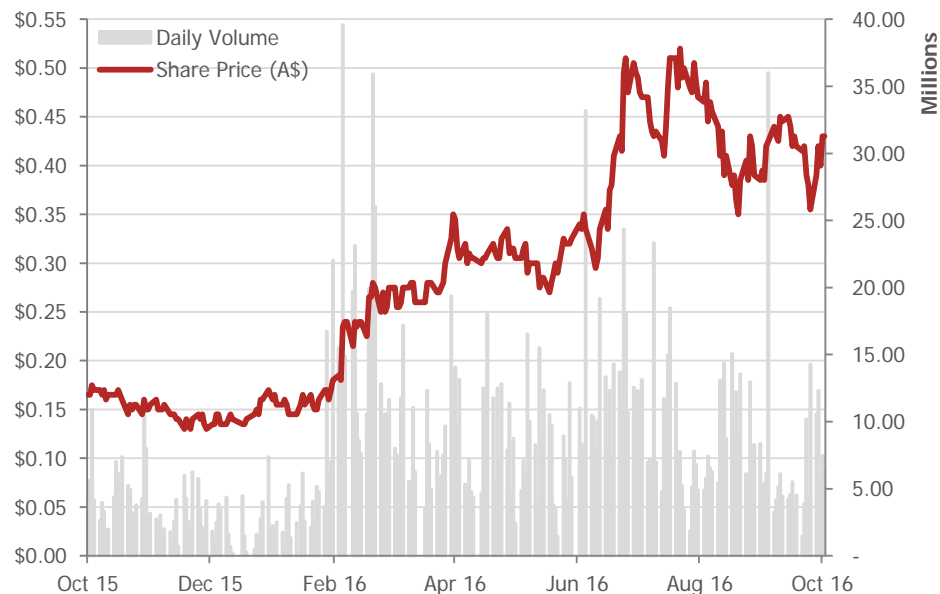
|  |                |
|--|----------------|
| Shares on Issue  | 1,057.6m       |
| Share Price (14 Oct 2016) A\$                          | \$0.430        |
| <b>Market Capitalisation A\$M</b>                      | <b>\$454.8</b> |
| Cash & Bullion on Hand (30 Jun 2016) A\$M <sup>1</sup> | \$30.9         |
| Senior Debt (17 Oct 2016) A\$M <sup>2</sup>            | \$33.3         |
| <b>Enterprise Value A\$M</b>                           | <b>\$457.2</b> |
| Options on issue <sup>3</sup>                          | 46.0m          |
| Average daily shares traded (past 12 months)           | 7.8m           |
| Hedging  | nil            |

1. Bullion valued at AUD/USD = 0.75 and US\$1,322 per ounce

2. US\$30M, AUD/USD = 0.75. Interest rate payable of USD LIBOR+3% pa. Unhedged facility repayable in six equal quarterly instalments of US\$5 million each. In addition the Company has working capital facilities from MACA and banks totalling approx. US\$21 million as at 30 June 2016.

3. Mostly exercisable 20c & 25c, expiring Dec 2018 & 2019

## DAILY SHARE PRICE (A\$) AND VOLUME (M)



# Strong Board of Directors and Management Team



## BOARD OF DIRECTORS

- Craig Readhead – Non-executive Chairman (*Ex Allion Legal*)
- Nicole Adshead-Bell – Non-executive Director (*Ex Sun Valley, Haywood, Dundee*)
- Brant Hinze – Non-executive Director (*Ex Kinross*)
- Simon Jackson – CEO and Managing Director (*Ex Red Back*)
- Timo Jauristo – Non-executive Director (*Ex Goldcorp*)
- Glen Masterman – Non-Executive Director (*VP Discovery and Chief Geologist of Evolution, ex-Kinross*)

## SENIOR MANAGEMENT TEAM

- Simon Jackson – Chief Executive Officer and Managing Director (*Age 48*)
- Greg Barrett – Chief Financial Officer and Company Secretary (*Age 46*)
- Peter Holmes – Chief Operating Officer (*Age 47*)
- Graham Donahue – Head of Corporate Development (*Age 42*)
- Rob Watkins – Head of Geology (*Age 48*)
- Pablo Diaz – Tucano General Manager (*Age 41*)

## SITE TEAM

- Mine site management led by Pablo Diaz with two permanent expats (ex-Red Back) assisting an experienced Brazilian line management team. In addition two expat geologists (ex-Red Back and St Barbara) assist the on site geology department.

# June Quarter and First Half 2016 Operational Data



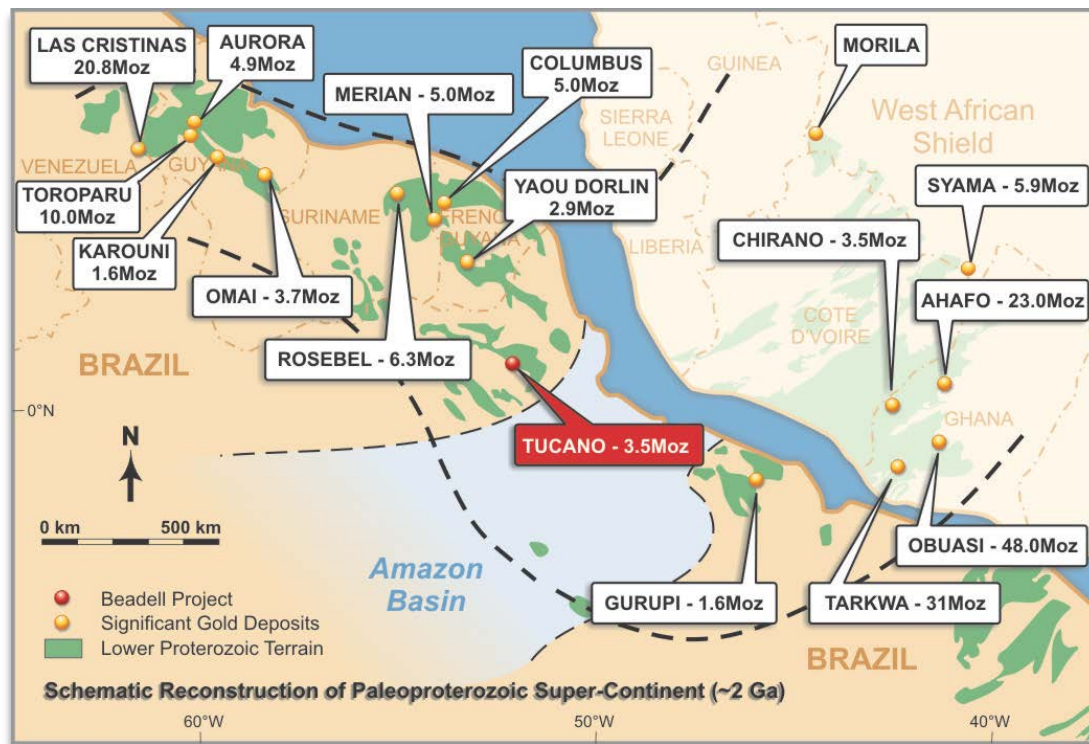
| Production Summary              | Unit              | Jun 2016 Quarter | Jun 2015 Quarter | %          | 1H2016            | 1H2015           | %          |
|---------------------------------|-------------------|------------------|------------------|------------|-------------------|------------------|------------|
| Total Waste Moved               | tonnes            | 4,336,492        | 3,166,897        | 37%        | 9,372,382         | 6,951,563        | 35%        |
| Ore Mined                       | tonnes            | 601,428          | 394,951          | 52%        | 1,201,040         | 999,246          | 20%        |
| <b>Total Material Moved</b>     | <b>tonnes</b>     | <b>4,952,485</b> | <b>3,600,416</b> | <b>38%</b> | <b>10,765,823</b> | <b>8,098,043</b> | <b>33%</b> |
| Ore Milled                      | tonnes            | 863,438          | 846,499          | 2%         | 1,858,646         | 1,788,353        | 4%         |
| Head Grade                      | g/t               | 1.02             | 0.90             | 14%        | 1.07              | 1.02             | 5%         |
| Plant Recovery                  | %                 | 86.7%            | 88.7%            | -2%        | 88.1%             | 89.0%            | -1%        |
| <b>Total Gold Recovered</b>     | <b>ounces</b>     | <b>24,568</b>    | <b>21,457</b>    | <b>15%</b> | <b>56,642</b>     | <b>52,396</b>    | <b>8%</b>  |
| <b>Total Gold Sold</b>          | <b>ounces</b>     | <b>26,487</b>    | <b>21,045</b>    | <b>26%</b> | <b>60,302</b>     | <b>53,986</b>    | <b>12%</b> |
| Cash Costs                      | US\$/ounce        | 953              | 896              | 6%         | 823               | 913              | -10%       |
| <b>All-In Sustaining Costs*</b> | <b>US\$/ounce</b> | <b>1,245</b>     | <b>1,042</b>     | <b>20%</b> | <b>1,055</b>      | <b>1,065</b>     | <b>-1%</b> |

\* 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.

- Total material movement for the June quarter exceeded budget by ~20%
- Strong improvement in the performance over 2016 wet season due to use of fresh rock for construction, maintenance and sheeting of haul roads, pit access and waste dumps
- Lower grade mined in first half ahead of much higher grades in the second half
- Costs have been negatively impacted by a 20% appreciation of Brazilian Real during 2016

# Brazil – Underexplored Greenstone Belt

- Favourable geological setting in Guiana Shield, Northeast Brazil
- Mineral endowment exceeds 60 million ounces gold across multiple under-explored greenstone belts
- Favourable fiscal terms
  - 15.25% Corporate Tax Rate
  - 2% Government royalties

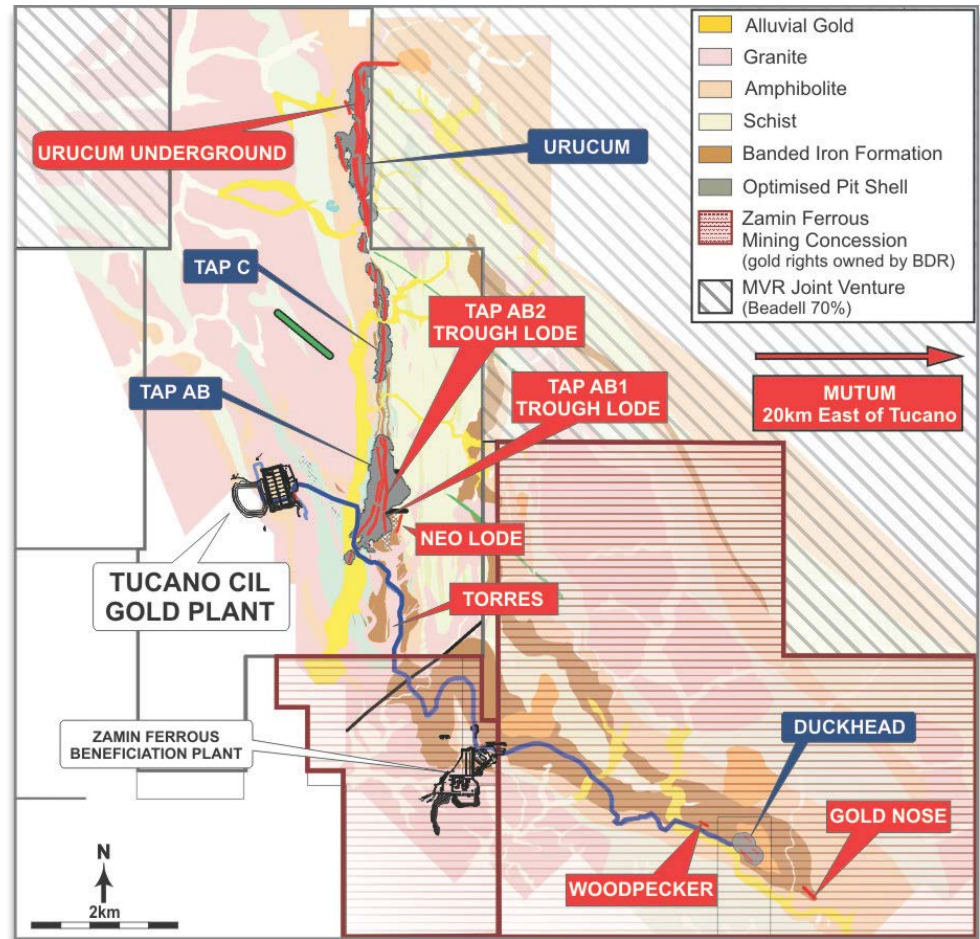


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# Tucano Mine Corridor: Under Explored

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- Current resource 3.5 million ounces
- Under-drilled 14 km mine corridor
- Significant potential to increase resources
- Property-wide drilling depth averages only 100 m
- Five drill rigs on site
- \$7 million exploration budget for 2016
- Total of 2,500 km<sup>2</sup> under licence



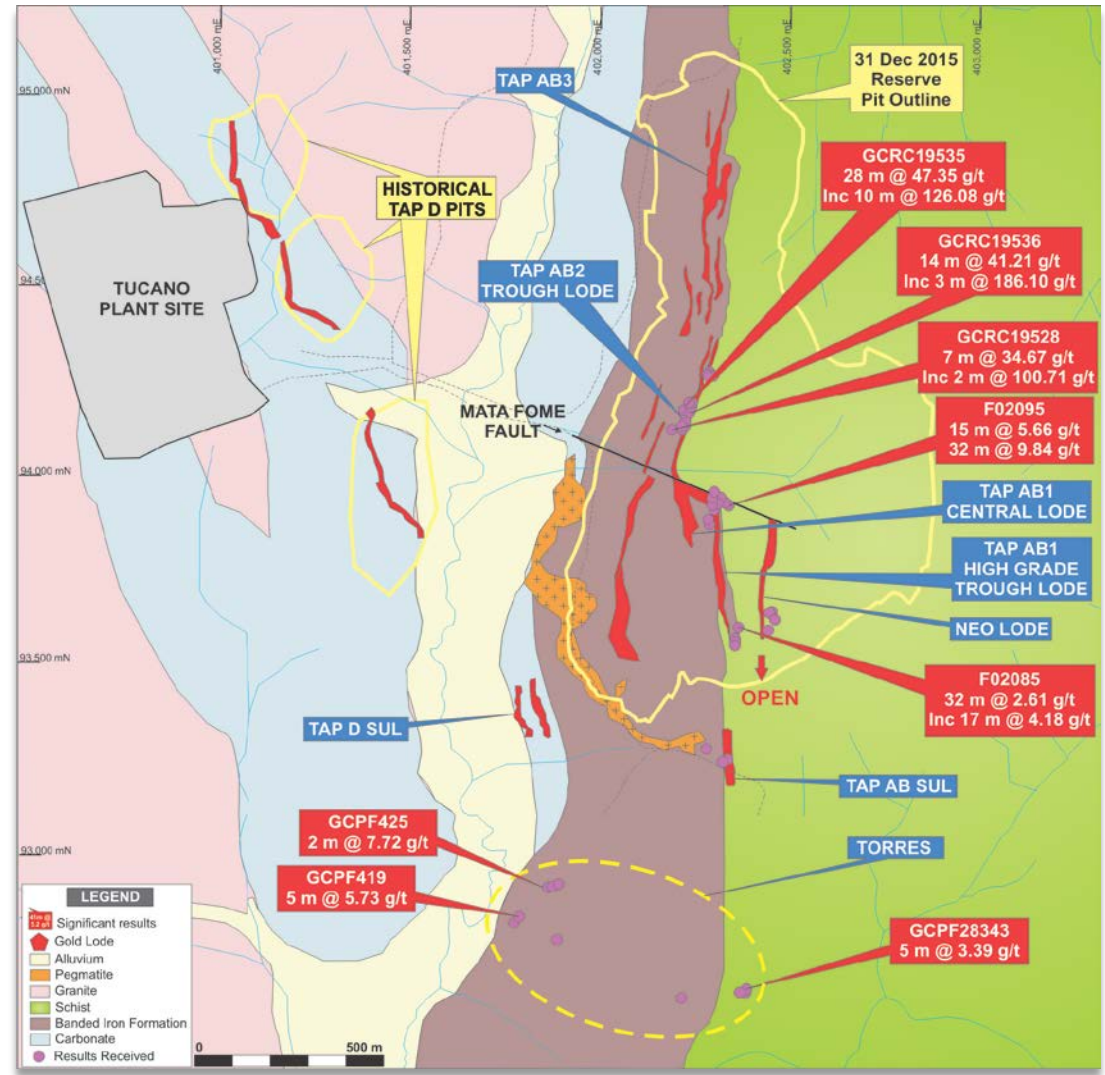
Mining Concession Plan



# Tap AB1, AB2 and Torres

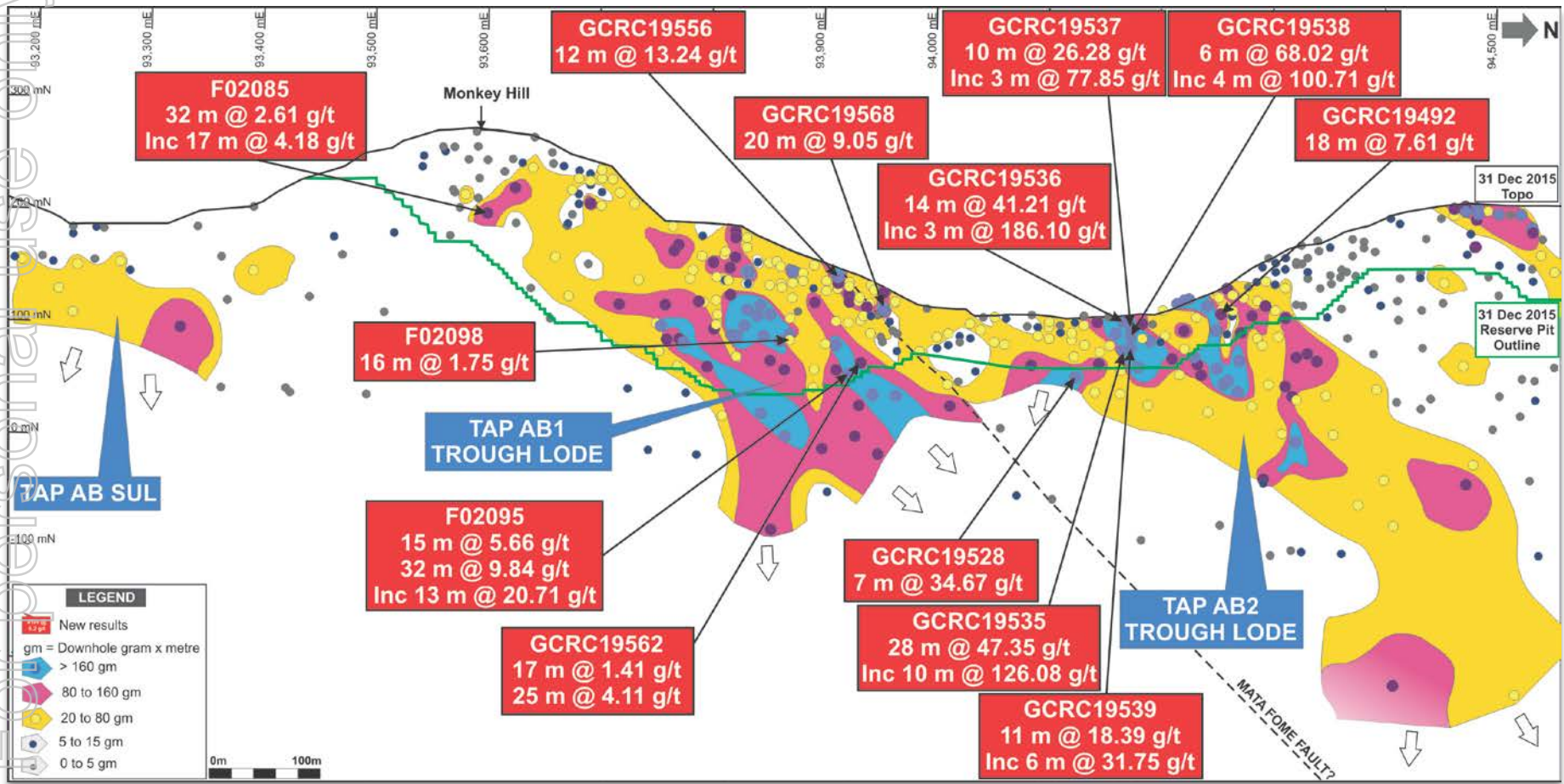
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- Major new source of high grade oxide only 2 km from the plant
- Oxide mineralisation reaching depths in excess of 200 m
- Tap AB1 & AB2 Trough Lodes remain open at depth – what happens in fresh?
- Significant shallow colluvium and BIF hosted gold mineralisation has been intersected at Torres



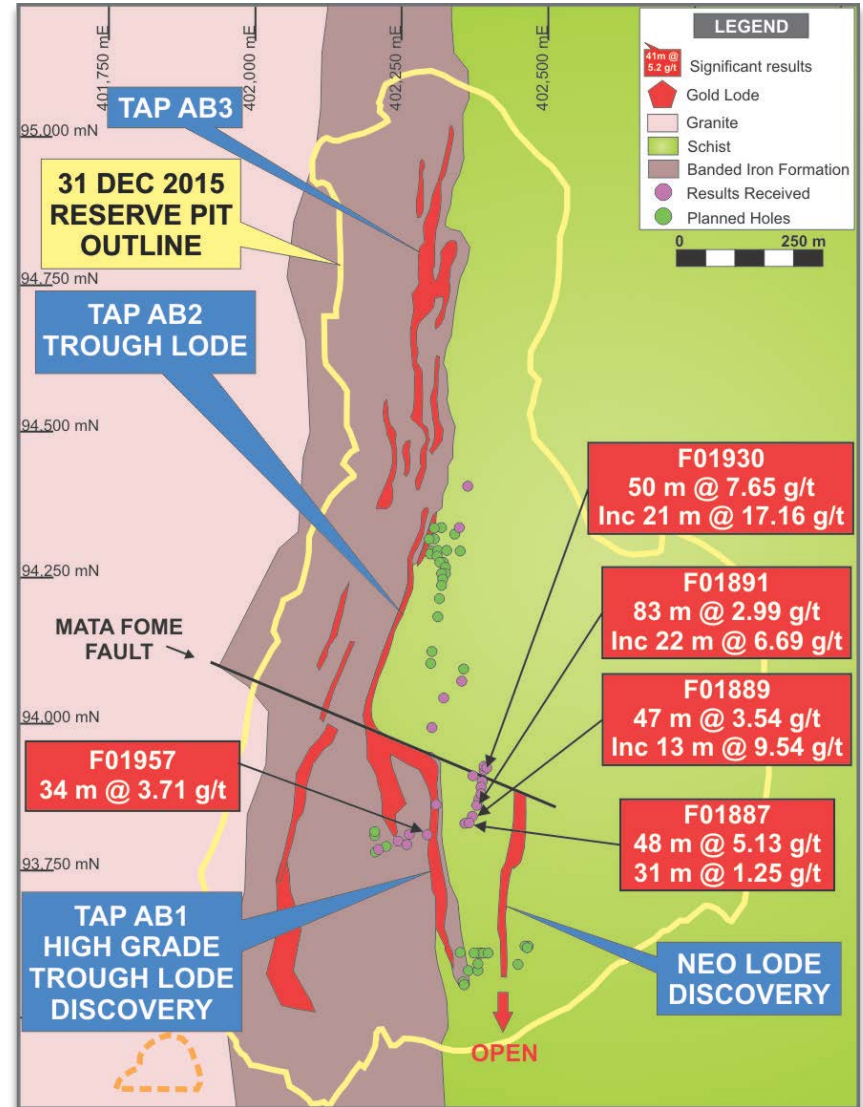
Tap AB – Torres plan showing location of new drill results

# Tap AB1 & AB2 Trough Lode



Tap AB1 & 2 Trough Lode and Tap AB Sul composite longsection showing location of drill results

- The discovery of gold developed in a shear zone hosted by clastic schist
  - Newly identified mineralised structure
  - Opens up a new 7 km long target trend that has almost no previous drilling
- Drilling at Neo Lode has confirmed the presence of a steeply east dipping mineralised structure 80 metres east of the main BIF contact
- Mineralisation currently delineated over 170 strike metres. Remains open in all directions
- Area remains under-drilled at shallow depths
- Drilling program has commenced



Tap AB plan showing location of new Neo Lode drill results

# Duckhead Underground Potential

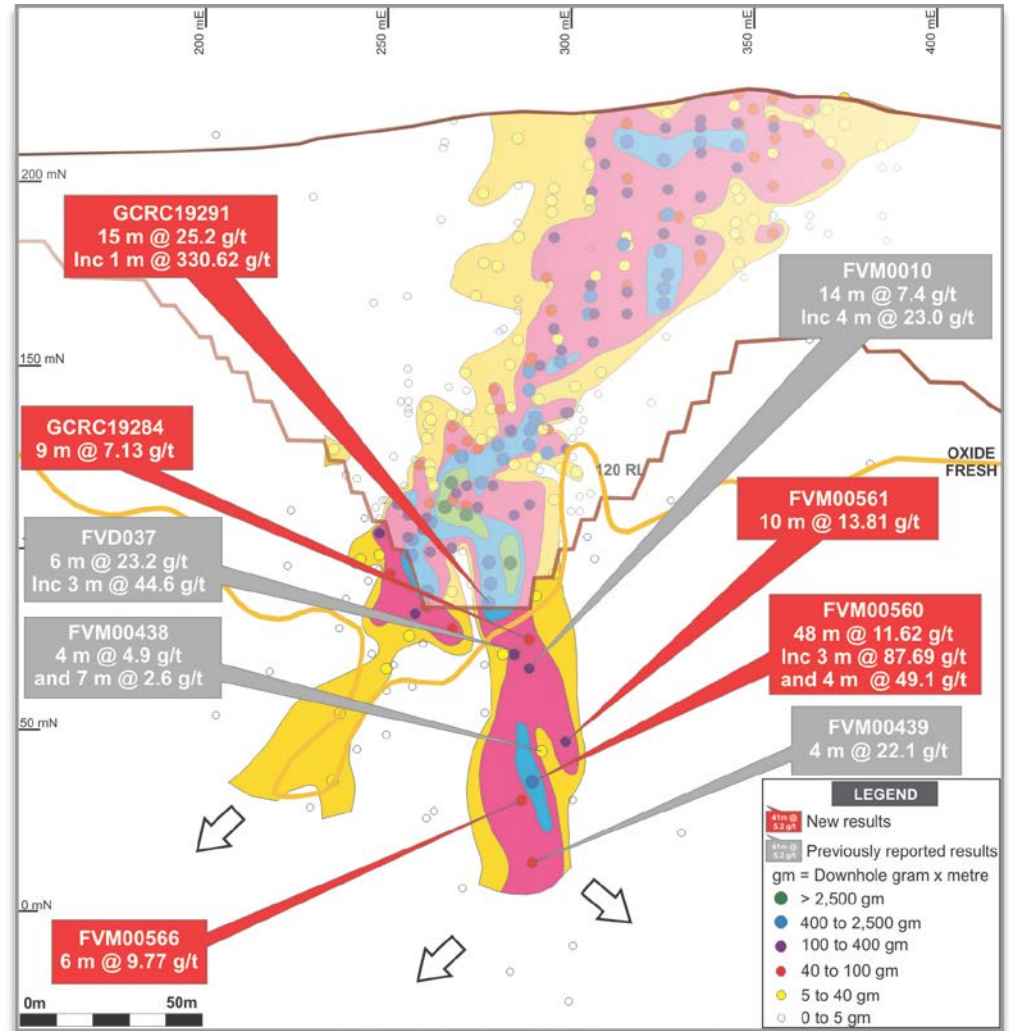
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- Open pit reserve now mined out. Final tonnes to ROM early October 2016

- High grade now intercepted in fresh rock:

- FVM560: 48 m @ 11.62 g/t from 66 m including 3 m @ 87.79 g/t from 97 m and 4 m @ 49.1 g/t from 124 m
- FVM561: 10 m @ 13.81 g/t from 81 m

- Underground target with almost no drilling

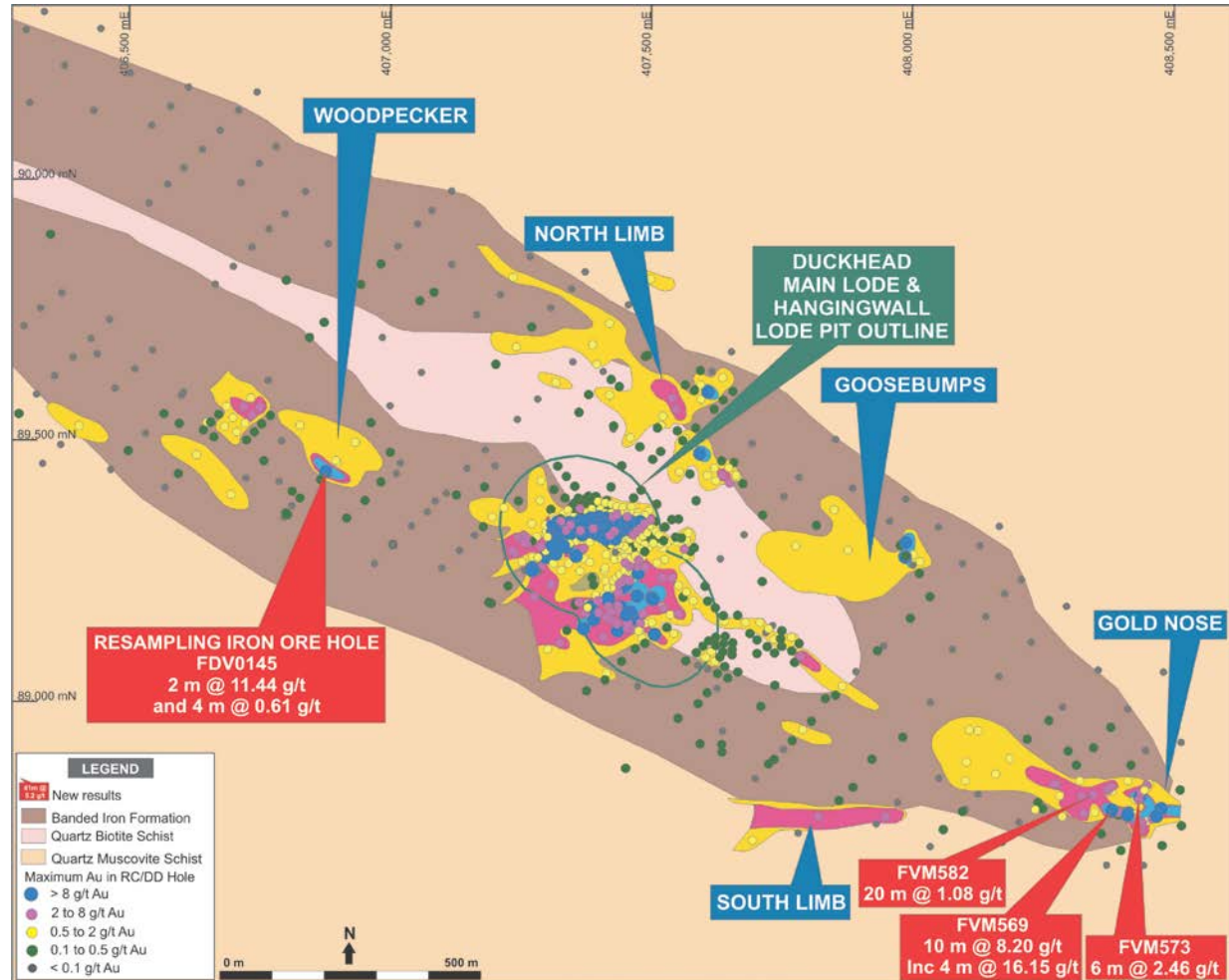


Duckhead Main Lode longsection showing location of new drill results

# Gold Nose and Woodpecker

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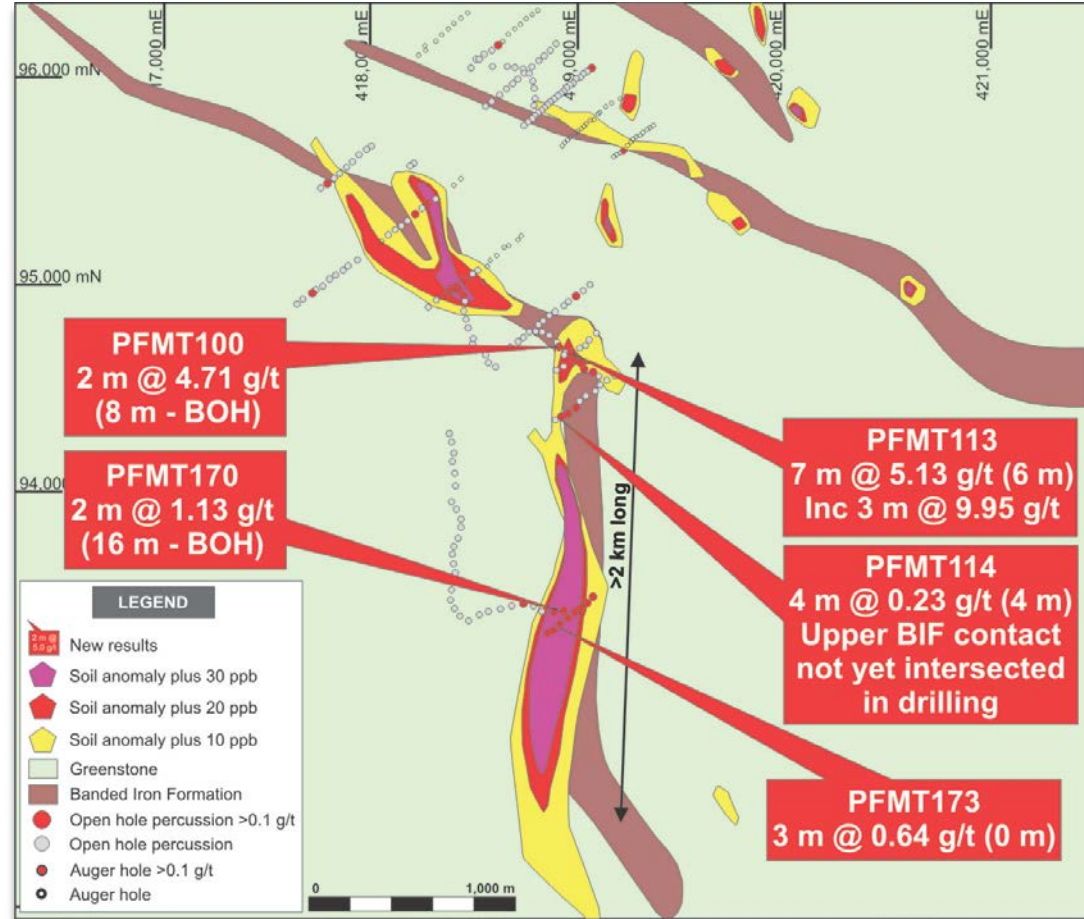
- Gold Nose prospect located 1 km from Duckhead
- Oxide gold bearing lode, recent holes include **10 m @ 8.20 g/t** gold from 53 m, including **4 m @ 16.15 g/t** gold from 55 m
- Woodpecker, a new target located 500 m northwest of Duckhead
- Resampling of an old iron ore drill hole encountered significant gold mineralisation with **2 m @ 11.44 g/t** gold from 89 m



Duckhead Mine Corridor showing location of new drill results at Gold Nose and Woodpecker

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- Reconnaissance drilling at the early-stage at the 100% owned Mutum target, 20 km east of Tucano, verifies the origin of the 4 km gold-in-soil anomaly
- New results include: 2 m @ 4.71 g/t from 8 m to bottom of hole; 7 m @ 5.13 g/t from 6 m including 3 m @ 9.95 g/t from 6 m; and 2 m @ 1.13 g/t from 16 m to bottom of hole
- Awaiting completion of access surveys prior to commencement of 4,000 m planned drill program



Mutum Plan showing location of new drill results

- Successful first year of turnaround
- Physical operations vastly improved from 2015
- Head grade increasing in the second half of 2016
- Exploration showing very positive signs – both short and long term
- Potential for district scale play



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**Simon Jackson**  
CEO & Managing Director

Telephone: +61 8 9429 0800

[info@beadellresources.com.au](mailto:info@beadellresources.com.au) / [www.beadellresources.com.au](http://www.beadellresources.com.au)