

Quarterly Report

to 30 September 2016

Highlights

Operations

- **Gold Production** – Gold production for the September 2016 quarter was 46,855 ounces and gold sold was 39,607 ounces.
- **Costs** – Cash costs for the September quarter were US\$685 per ounce. All-in Sustaining Costs (“AISC”)* for the September quarter were US\$797 per ounce.
- **2016 Guidance** – The Company expects to achieve its production forecast of 145,000 to 160,000 ounces for CY2016. Due to the significant appreciation of the Brazilian Real this year, AISC per ounce cost guidance of US\$715 to US\$815 per ounce has been amended to US\$830 to US\$930 per ounce for CY2016.

Corporate

- **Gold Sales** – Gold sales for the September quarter totalled 39,607 ounces at an average cash price received of US\$1,315 per ounce.
- **Cash and Bullion** – Cash and bullion as at 30 September 2016 was A\$44.6 million (as at 30 June 2016 was A\$30.9 million) (bullion valued at AUD/USD = 0.76 and US\$1,316 per ounce).
- **Tucano to Transition to Grid Power** – The Company has signed a Deed of Undertaking with Amapa Electricity Company, and has commenced required refurbishment and improvements to the existing 110km 69 KV power line which terminates at Tucano.
- **Appointment of Dr Nicole Adshead-Bell and Graham Donahue** – Two exceptional appointments were made during the quarter. Dr Nicole Adshead-Bell as a Non-Executive Director and Mr Graham Donahue as Head of Corporate Development based in Toronto, Canada.

Exploration

- **Tap AB1 Trough Lode** – Significant results continue to be received from the Tap AB1 Trough Lode. Drill hole F02049 intersected 14 m @ 6.56 g/t gold from 94 m and 26 m @ 11.61 g/t gold from 118 m to bottom of hole including 9 m @ 27.92 g/t gold from 126 m.
- **Tap AB2 Trough Lode** – Resource definition drilling of the Tap AB2 Trough Lode has intersected exceptional results of up to 28 m @ 47.35 g/t gold from 31 m including 10 m @ 126.08 g/t gold from 34 m in GCRC 19535. Significant results were also received below the open pit reserve include 7 m @ 34.67 g/t gold from 61 m in GCRC19528.
- **Torres** – Encouraging early stage drill results reported at the Torres target located 700-900m south of Tap AB open pit on the same geological contact as the high grade Tap AB Trough Lodes. Results up to 5 m @ 3.39 g/t gold m from 4 m to bottom of hole were received in GCPF28343.
- **Duckhead** – A stand out result of 48 m @ 11.62 g/t gold from 66 m including 3 m @ 87.69 g/t gold from 97 m and 4 m @ 49.1 g/t gold from 124 m located 60 m below the base of the current open pit represents the first real indication that the high grades persist into fresh rock below the open pit.
- **Gold Nose & Woodpecker** – Encouraging results continued to be received at the Gold Nose prospect, 1 km southeast of Duckhead of up to 10 m @ 8.20 g/t gold from 53 m and at a new target, Woodpecker, located 500 m northwest of Duckhead where resampling of an iron ore hole returned 2 m @ 11.44 g/t gold from 89 m.

*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	Sep 16 Quarter	Sep 15 Quarter	%	9M16	9M15	%
Total Waste Moved	tonnes	3,786,457	4,848,714	-21.9%	13,158,838	11,800,277	11.5%
Gold Ore Mined	tonnes	803,869	878,444	-8.5%	2,004,909	1,877,690	6.8%
Gold Ore Milled	tonnes	864,119	873,788	-1.1%	2,722,765	2,662,141	2.3%
Head Grade	g/t	1.91	1.19	60.3%	1.34	1.08	24.2%
Plant Recovery	%	88.4%	89.5%	-1.2%	88.2%	89.4%	-1.3%
Total Gold Recovered	ounces	46,855	29,920	56.6%	103,497	82,316	25.7%
Total Gold Sold	ounces	39,607	29,383	34.8%	99,910	83,369	19.8%

Cash Costs and All-In Sustaining Costs	Unit	Sep 2016 Quarter	Sep 2015 Quarter	%	9M16	9M15	%
On-Site Production Costs	US\$/ounce	646	838		725	845	
On-Site G&A Costs	US\$/ounce	39	40		44	55	
Cash Costs	US\$/ounce	685	878	-22%	769	900	-15%
Royalties	US\$/ounce	24	21		23	26	
On-Site Corporate Costs	US\$/ounce	13	13		14	17	
Exploration Costs (Sustaining)	US\$/ounce	23	7		32	6	
Capitalised Stripping Costs (Sustaining)	US\$/ounce	42	113		91	103	
Capital Expenditure (Sustaining)	US\$/ounce	10	1		10	1	
All-In Sustaining Costs*	US\$/ounce	797	1,033	-23%	939	1,053	-11%

* 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 September 2016 quarter totalled 46,855 ounces, an increase of 57% over the September 2015 quarter. Gold production for the first nine months of 2016 was 103,497 ounces, an increase of 26% over the same period last year.

The Company expects full year production from Tucano to be in the range of the CY2016 guidance of 145,000 to 160,000 ounces.

Costs

Substantial completion of planned cutbacks during the quarter has resulted in access to higher grade ores, significantly increased gold sales and lowered AISC reported per ounce. Additionally, a reduction in material movement has resulted in reduced mining costs during the quarter and lower AISC.

Higher exploration costs continue as the Company progresses with its US\$7 million 2016 exploration plan to replenish reserves, deliver near-mine resource extensions and advance early stage targets. As the Company has announced to date, the exploration plan continues to yield significant results.

Despite falling AISC in the September quarter, USD reported costs continue to be negatively impacted by the stronger Brazilian Real against the USD, which has appreciated by approximately 20% this year. For the year to 30 September 2016, this has resulted in an increase in reported AISC of approximately \$100 per ounce. Pleasingly, costs denominated in Brazilian Real have remained in line with budget.

As a result of the strength of the Brazilian Real, the Company has revised full year AISC guidance from US\$715 to 815 per ounce to US\$830 to US\$930 per ounce.

Mining

In the September quarter, 803,869 tonnes of ore were mined. Total material movement was 4,612,285 tonnes, a decrease of 19% over the September 2015 quarter. The decrease on total moved tonnes was due to: lower performance of the mining fleet; alteration of the pit design of AB2 resulting in a narrow pit to operate with the Cat 777 (one-way ramp); delays in drilling and blasting cycles at AB2 and required grade control drilling limiting mining at AB1 for a period of 15 days.

Mining during the quarter was predominantly from Tap AB1, Tap AB2, Urucum Central North, Urucum South, Tap D Sul and Duckhead. The good performance at those pits in producing ounces mined helped reduce the impact of the remodelling of the pit design of Tap AB2. The Duckhead cut back was completed in September delivering gold production in line with the plan.

Preparation for the 2017 wet season has commenced.

Processing

During the September quarter, the CIL plant throughput was 864,119 tonnes and the process plant recovery for the period was 88.4%, both slightly lower than the September 2015 quarter. However, the mill feed grade was 1.91 g/t gold, recording a 60% improvement when compared to the same period last year.

In July, there was a failure of the internal ring of the pinion shaft bearing on the Sag Mill which caused a six-day unplanned shutdown. Other than the failure, the processing plant has continued to operate well and the expected increase in feed grade has been realised.

Total high grade and low grade gold ore stockpile ounces at the end of September 2016 decreased by 3% to 4.13 million tonnes @ 0.68 g/t for 90,000 ounces, whilst marginal stockpiles of 1.5 million tonnes @ 0.43 g/t for 21,000 ounces remained static. Sulphide ore stockpiles increased significantly at the end of the quarter largely offsetting the depletion of the Spent Ore stockpile used to supplement oxide mill feed.

Corporate & Finance

Gold Sales

Gold sales for the September quarter totalled 39,607 ounces at an average cash price received of US\$1,315.11 per ounce.

Cash & Bullion

Cash and bullion as at 30 September 2016 was A\$44.6 million (as at 30 June 2016 was A\$30.9 million) (bullion valued at AUD/USD = 0.76 and US\$1,316 per ounce).

Debt

During the quarter, the Company made net debt repayments of US\$0.5 million which included the quarterly scheduled payment of US\$5 million to Santander – Itaú. Other working capital facilities were utilised as the Company managed its Brazilian Real exposure.

The Company expects to further reduce its bank and third party debt in the December quarter.

Capital and Exploration Expenditure

Non-sustaining capital expenditure for the September quarter was \$2.9 million, which was largely associated with deforestation and construction of the long term tailings storage facilities.

Non-sustaining exploration expenditure for the September quarter was \$1.5 million and included exploration expenditure during the quarter at Tucano and Tropicana East.

Tucano to Transition to Grid Power

In August, the Company, with the support of the Government of Amapa State, signed a Deed of Undertaking with Amapa Electricity Company, and has commenced required refurbishments improvements to the existing 110km 69 KV power line which terminates at the Tucano gold mine. Once the improvements are complete, Tucano is aiming to increase its grid power supply from the current 1MW to initially 5MW around the end of 2016 and ultimately to a minimum of 12MW. The reduction of reliance on diesel generated power will have an immediate and material effect on operating costs at Tucano.

Appointments of Dr Nicole Adshead-Bell and Mr Graham Donahue

At the end of September, the Company announced the appointments of Dr Nicole Adshead-Bell and Mr Graham Donahue. Dr Adshead-Bell was appointed as a Non-Executive Director. She is a geologist with over 20 years of capital markets and natural resource sector experience. Mr. Graham Donahue was appointed to the newly created role of Head of Corporate Development, based in Toronto, Canada. Mr Donahue brings over 20 years of global financial markets experience to Beadell.

Exploration

Brazil

In the September quarter, a total of 31,268 m of drilling, comprising 19,575 m of grade control reverse circulation (RC) drilling and 9,334 m of exploration / resource delineation RC drilling, was completed. A total of 2,359 m of diamond drilling was also completed.

Exploration focussed on the highly prospective Tap AB1 & 2 Trough lodes where ongoing drilling continues to expand and improve the resource and reserve potential below the Tap AB open pit. By the end of the quarter, two diamond drill rigs and one RC rig were drilling extensions to the lodes.

Encouraging early stage drill results have also been reported from 700-900m south of Tap AB open pit along the same contact as the Tap AB Trough Lode, at the new Torres target.

New zones of gold mineralisation were discovered at Gold Nose, 1 km southeast of Duckhead and at Woodpecker, 500 m west of Duckhead. Deeper drilling below the Duckhead open pit has interested significant fresh rock gold mineralisation indicating underground potential.

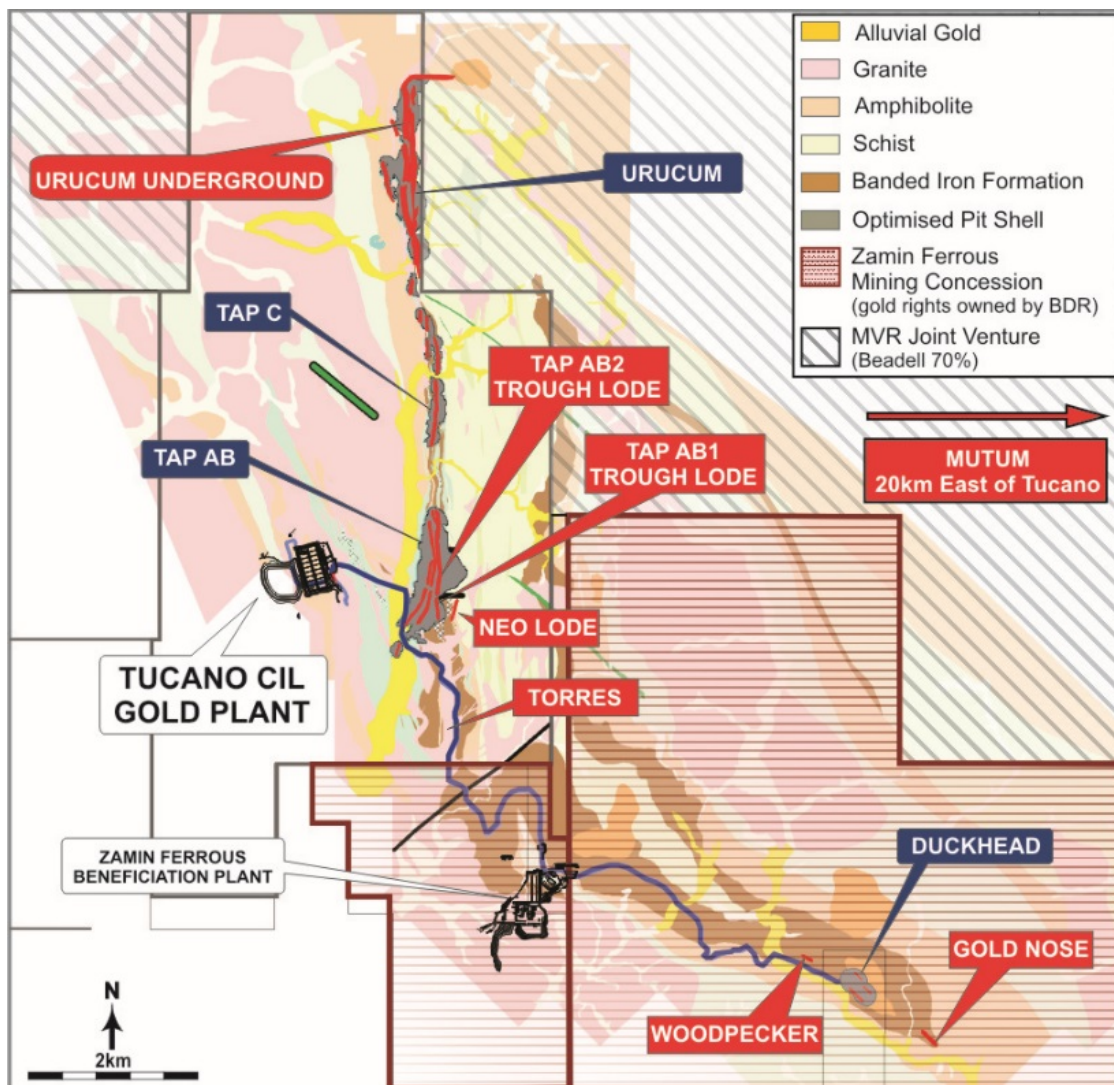


Figure 1. Tucano Near Mine plan location plan

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TAP AB1 Trough Lode

Significant results were received from RC drilling at the Tap AB1 Trough Lode (see ASX announcements on 1 August and 10 October 2016). Results included drill hole F02049, 14 m @ 6.56 g/t gold from 94 m and 26 m @ 11.61 g/t gold from 118 m to bottom of hole, drill hole F02095, 15 m @ 5.66 g/t gold from 64 m and 32 m @ 9.84 g/t gold from 82 m including 13 m @ 20.71 g/t gold from 97 m (Figure 2).

Additional results were received from an emerging interpreted sub-parallel lode immediately west of the Tap AB1 Trough Lode. This new lode, Tap AB1 Central, was intersected in several holes including F02090, 11 m @ 12.06 g/t gold from 20 m including 1 m @ 99.08 g/t gold from 23 m, F02089, 3 m @ 14.86 g/t gold from 69 m and F02059, 13 m @ 4.30 g/t gold from 64 m (Figure 3).

The Tap AB1 Trough Lode remains open at depth and will be a major focus of resource extension drilling in the December quarter. Drill pad access to test the extensions of the Tap AB1 Trough Lode was limited in the September quarter due to dewatering requirements at the Tap AB2 open pit. Dewatering recently commenced as per the Tap AB1 and Tap AB2 open pit cutback mine schedules and the drill platforms are now becoming available.

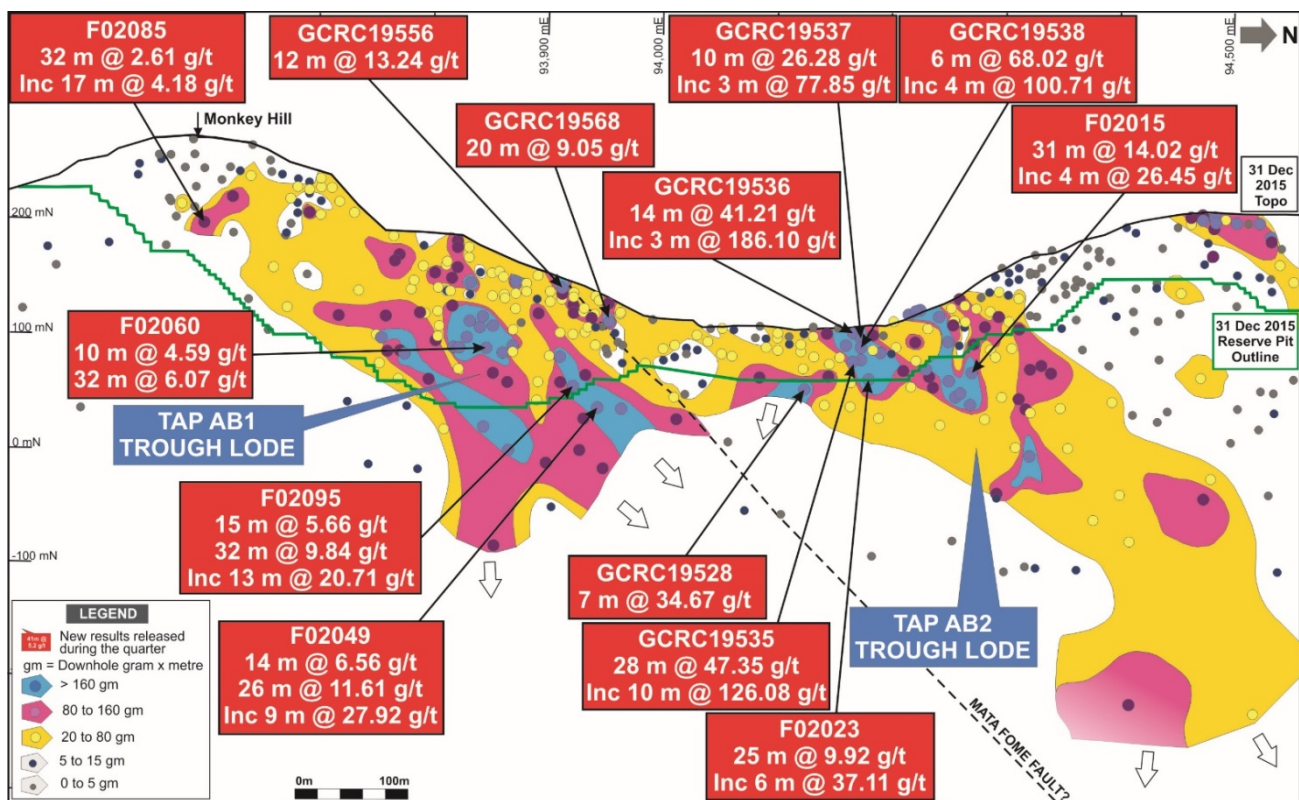


Figure 2. Tap AB1 & 2, AB Sul composite longsection showing location of new results

Tap AB2 Trough Lode

Resource definition drilling of the Tap AB2 Trough Lode intersected exceptional results of up to 28 m @ 47.35 g/t gold from 31 m including 10 m @ 126.08 g/t gold from 34 m in GRC 19535, being of similar magnitude to the high-grade Duckhead Main Lode (see ASX announcement of 10 October 2016). Both deposits represent a similar style of mineralisation located on the same Banded Iron Formation (“BIF”) and schist contact in a deep weathering trough. The results within the open pit reserve represent an increase in grade over and above the reserve grade in this area, and include part of the high-grade lode to be mined in the next six months in the Tap AB2 phased open pit cutback.

Significant results were also received immediately below the open pit reserve with an intersection of 7 m @ 34.67 g/t gold from 61 m including 2 m @ 107.29 g/t gold from 62 m in GRC19528 and 31 m @ 14.02 g/t gold from 95 m including 14 m @ 26.45 g/t gold from 97 m in F02015 (Figure 2). Depth extensions to these intersections will be targeted in step-out drilling in the near term as drill pad access becomes available.

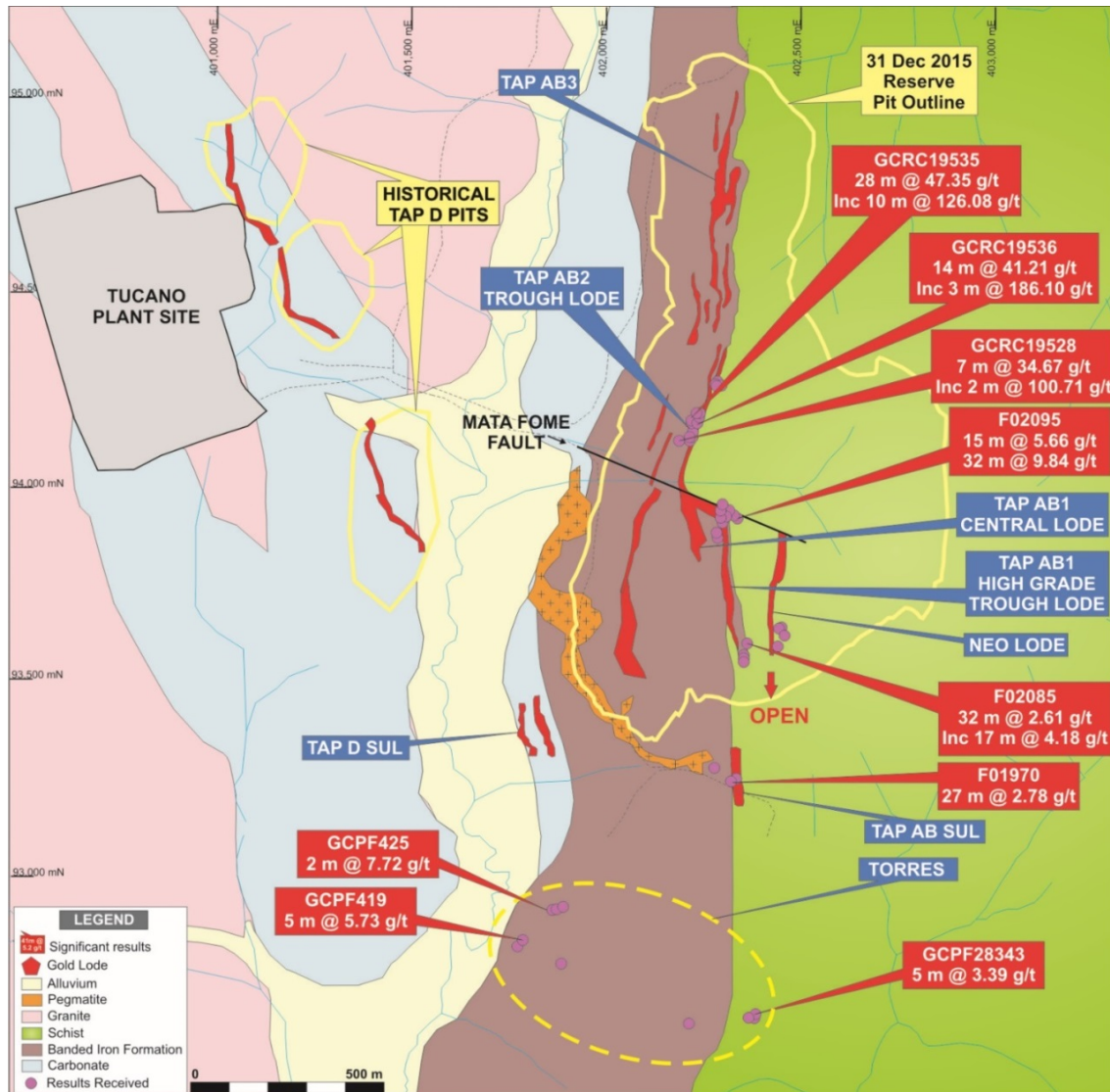


Figure 3. Tap AB – Torres plan showing location of new drill results

Tap AB Sul

A significant new result was received of 27 m @ 2.78 g/t gold from 69 m at Tap AB Sul (see ASX announcement of 1 August 2016) located 500 m south of the Tap AB1 Trough Lode on the same BIF contact (Figure 3). This result remains open at depth and follow up drilling is being planned.

Torres

Roadside open hole percussion drilling along the southern extension of the Tucano Mine Corridor has intersected significant shallow colluvium and BIF hosted gold mineralisation at Torres (Figure 3).

Results up to 5 m @ 3.39 g/t gold from 4 m to BOH in GCPF28343 were recorded from the shallow drilling along the same eastern BIF contact that hosts the high-grade Tap AB1 and Tap AB2 Trough lodes to the north. Deep weathering in excess of 200 m along this contact provides an excellent target for the discovery of additional high-grade oxide gold mineralisation (see ASX announcement of 10 October 2016).

Duckhead

During the quarter, a drilling program was completed within the Duckhead pit comprising 25 holes for 2,233 m (see ASX announcement of 1 August 2016). The drilling was designed to test below the current open pit reserve for extensions of the high grade Main Lode.

High grade results were received on the eastern footwall zone of the Main Lode suggesting that the predominant plunge of the Main Lode at depth is in this direction (Figure 4). A stand out result of 48 m @ 11.62 g/t gold from 66 m including 3 m @ 87.69 g/t gold from 97 m and 4 m @ 49.1 g/t gold from 124 m

is located 60 m below the base of the current open pit. These are the first indications that a significant high grade lode exists in fresh rock below the Duckhead pit. If the high grades that have been found in the steeply dipping highly oxidised zones at Duckhead continue in the fresh rock at depth then there exists the potential for a very high grade underground development. Additional drilling is being planned.

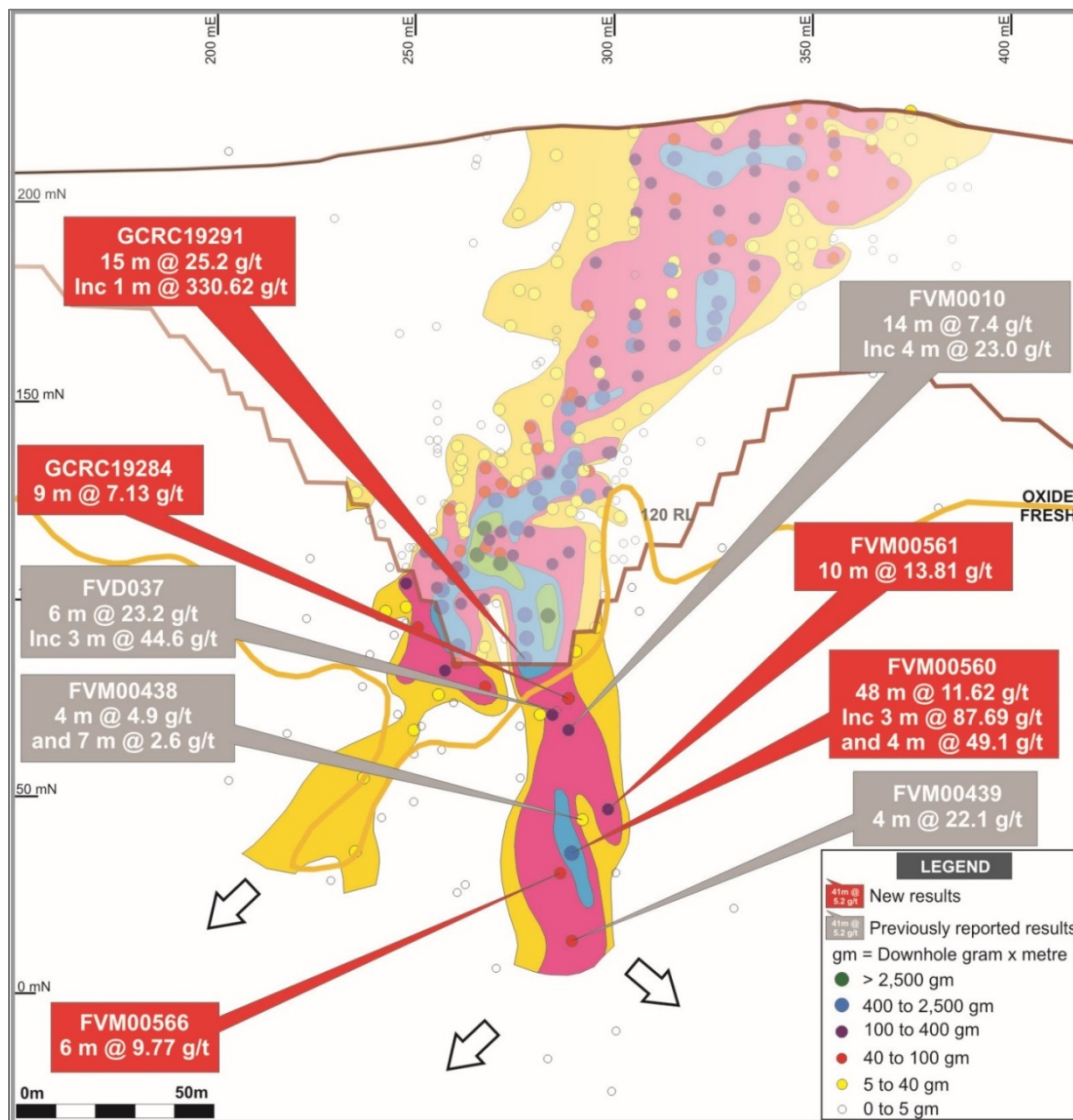


Figure 4. Duckhead Main Lode longsection showing location of new drill results.

Gold Nose & Woodpecker

Encouraging results continued to be received at the Gold Nose prospect, 1 km southeast of Duckhead and a new target, Woodpecker, located 500 m northwest of Duckhead (Figure 5).

At Gold Nose, resource extension and definition drilling confirmed a shallow west dipping oxide gold bearing lode with a maximum approximate true width result of 10 m @ 8.20 g/t gold from 53 m including 4 m @ 16.15 g/t gold from 55 m in FVM00569.

At the new Woodpecker target, 500 m west of Duckhead, resampling of an old iron ore drill hole has encountered significant gold mineralisation with 2 m @ 11.44 g/t gold from 89 m and 4 m @ 0.61 g/t gold from 95 m in FDVM0145. These results are potentially highly significant as Woodpecker is less than 500 m from the high-grade Duckhead Main Lode and all historic holes in the immediate vicinity of this intersection are shallow, wide-spaced, mostly vertical holes drilled and assayed for iron ore.

Systematic resampling of iron ore drill holes from the extensive iron ore database is ongoing and is a cost effective exploration tool. This resampling program has already resulted in the discovery of several significant gold lodes, including Duckhead Main Lode, Gold Nose and now Woodpecker.

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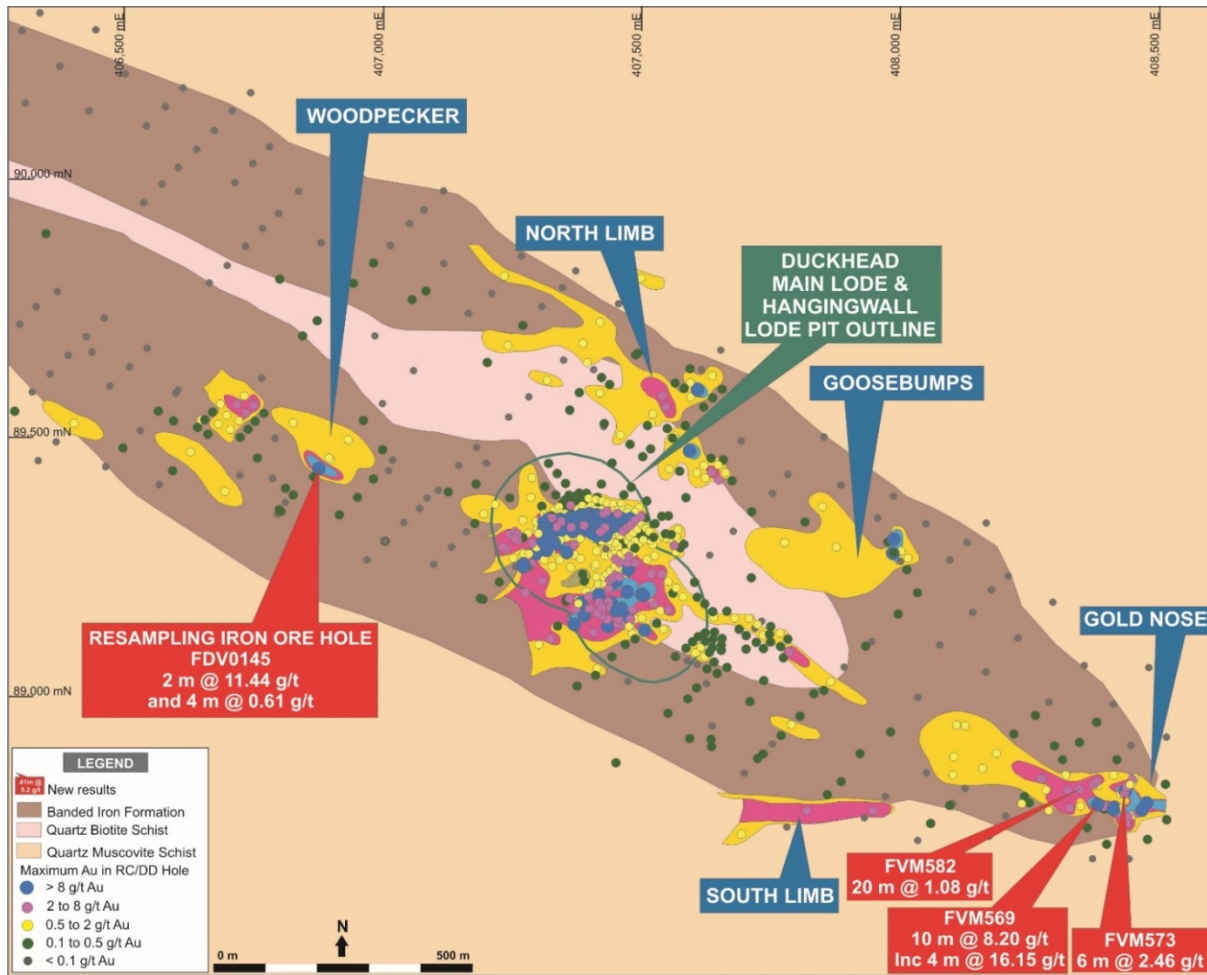


Figure 5. Duckhead Mine Corridor showing location of new drill results at Gold Nose and Woodpecker

Urucum Underground

A total of five additional diamond holes were completed at the Urucum Underground target. Some holes in the program had greater than predicted hole deviations and did not intersect the lode positions in the preferred locations. Results from the drilling included 3 m @ 7.46 g/t gold from 433 m in FD01424 and 15 m @ 2.63 g/t gold from 439 m including 7 m @ 4.80 g/t gold from 440 m and 2 m @ 8.16 g/t gold from 469 m in FD01426. The drilling results will be used to update the Urucum Underground resource model and improve our understanding of this orebody.

Brazil Greenfields Exploration

Tucano Regional

Regional exploration programs are advancing, with the assembly of a new greenfields exploration team and a renewed push to recommence early-stage exploration throughout the highly prospective greenstone belt.

Additional permitting and surveys required at the highly prospective Mutum target 20 km east of Tucano have delayed access to this area resulting in deferral of planned drill programs. Drilling at Mutum will commence as soon as the appropriate regulatory approvals are received.

Australia Greenfields Exploration

Tropicana East

A reconnaissance drilling campaign was completed at Tropicana East targeting previously untested corridors identified from multi-element analysis and re-logging of the geology. A total of 81 holes for 6,108 m were completed. The drilling encountered prospective Tropicana host gneissic rock units including meta-chert, garnet and granite gneiss however no significant gold results were received.

ASX Code: BDR
Board of Directors

Craig Readhead	Non-Exec. Chairman
Simon Jackson	CEO & Managing Director
Nicole Adshead-Bell	Non-Exec. Director
Brant E. Hinze	Non-Exec. Director
Timo Jauristo	Non-Exec. Director
Glen Masterman	Non-Exec. Director

Senior Management:

Simon Jackson	CEO & Managing Director
Greg Barrett	CFO / Company Secretary
Peter Holmes	Chief Operating Officer
Graham Donahue	Head of Corp. Develop.
Rob Watkins	Head of Geology
Luis Pablo Diaz	General Manager - Brazil
Mike Robinson	Operations Manager

Corporate Details:

Issued capital: 1,057,567,540 ordinary shares
(as at 30 September 2016)

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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 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 is extracted from the reports entitled "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. 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.