

# Quarterly Report

As at 31 December 2018



ASX:BDR

## DECEMBER 2018 QUARTERLY REPORT – TUCANO UPGRADE COMPLETE

Beadell Resources Limited (**Beadell or Company**) is pleased to announce results for the quarter ended 31 December 2018 and the outlook for 2019.

Dr Nicole Adshead-Bell, CEO & Managing Director of Beadell, stated: “2019 will be a pivotal year for Tucano. Our Brazilian team delivered a successful transition in mining contractor and completion of the Tucano Plant Upgrade in 2018 in very challenging circumstances. We have laid a strong foundation for Tucano’s future, which requires additional investment to manage our working capital deficit, debt repayment schedule and a 2019 mine plan that delivers ~64% of forecast annual gold production in the second half of the year. We remain convinced that a combination with Great Panther Silver Limited (Great Panther) offers significant benefits and synergies. It is the best option for Beadell and its shareholders. Great Panther’s management team has the Brazilian operating experience and, importantly, Great Panther has the balance sheet strength to support Tucano’s transition to a fully optimised gold mine and to evaluate the identified but untested resource growth potential. Work programs will be designed to expand the value-per-share for the combined company’s shareholders; Beadell shareholders will own ~38% of the enlarged and more robust company. The transaction will result in a new growth-oriented precious metals producer focused on the Americas, offering geographic and operating diversity plus demonstrable organic growth opportunities. Beadell shareholders will benefit from the increased size of the new company, which will result in increased exchange-traded fund demand, and also increased liquidity on stock exchanges in Toronto and New York.”

## HIGHLIGHTS

### OPERATIONS

- **Gold Sales and Production** – Gold sales and production for the December 2018 quarter were 38,422 ounces and 43,365 ounces respectively, a decrease of 15% and 11% respectively compared to the same quarter in 2017 and an increase of 39% of gold sold and 45% in gold recovered compared to September 2018 quarter. For CY2018, gold sales totalled 122,472 ounces and gold recovered totalled 123,296 ounces, 1.4% below the low end of the revised guidance of 125,000-135,000 ounces. *NOTE: ASX Announcement 9 January 2019 overstated 2018 gold production by 40 ounces with ‘123,336 ounces of gold produced in 2018, 1.3% below the low end of the revised guidance of 125,000-135,000 ounces.’*
- **Costs** – Cash costs for the December 2018 quarter were US\$832 per ounce. All-in Sustaining Costs (AISC)<sup>1</sup> for the December 2018 quarter were US\$893 per ounce, representing a decrease of 4% compared to the same quarter in 2017 and a decrease of 7% compared to the September 2018 quarter. CY2018 cash costs were US\$880 per ounce and AISC were US\$1,073 per ounce, 2% below the high end of the revised guidance of US\$1,000 to US\$1,100 (June 2018 Quarterly Report). CY2018 AISC were 9% below CY2017 AISC of US\$1,180. Average US dollar (USD) to Brazilian Real (BRL) exchange rate for the December 2018 quarter and 2018 were 3.81 USD/BRL and 3.65 USD/BRL, respectively.
- **Mobilisation of New Mining Contractor** – U&M Mineração e Construção (U&M) has fully mobilised to site and has successfully integrated into Tucano operations. The Company expects to realise the benefits of the improved performance-based cost structure combined with an ability to deliver to plan in 2019.
- **Tucano Plant Upgrade (Project)** – Completed and commissioned in November 2018.
- **Annual Resource & Reserve Statement** – A depletion only resource and reserve update was released on 4 December 2018.

### GUIDANCE

- **Production** – Tucano is forecast to produce between 145,000 and 155,000 ounces of gold in CY2019. Gold production will vary from quarter to quarter, with ~18% of gold production forecast for each of the March and June quarters, 23% in the September quarter and 41% in the December quarter. The quarterly

<sup>1</sup> AISC has been calculated in accordance with the World Gold Council’s Guidance Note on Non-GAAP metrics released 27 June 2013.

production profile is due to mining sequence grade variability, strip ratio and pronounced rainy season in the first half of the year.

- **Costs** – AISC are forecast to be in the range of US\$1,000 to US\$1,100 per ounce. Production and cost forecasts are based on a gold price of US\$1,275 per ounce and the Brazilian Central Bank 2019 US Dollar (USD) to Brazilian Real (BRL) exchange rate forecast of 3.62. Tucano costs are ~85% BRL denominated so the AISC in US dollars is very sensitive to the USD/BRL exchange rate.

## CORPORATE

- **Great Panther to Acquire Beadell Update** – On 21 December 2018, Beadell announced that the Supreme Court of Western Australia had made orders approving the dispatch of the Scheme Booklet and the convening of a meeting of Beadell shareholders in relation to the proposed scheme of arrangement under which Great Panther will acquire all of the issued shares in Beadell (Scheme). The Australian Securities and Investments Commission (ASIC) also registered the Scheme Booklet in relation to the Scheme.

The independent expert appointed by Beadell to review the Scheme, Deloitte Corporate Finance, concluded that the Scheme is not fair but reasonable in the absence of a higher offer, and therefore in the best interests of Beadell shareholders.

**Directors of Beadell unanimously recommend that shareholders vote in favour of the Scheme** in the absence of a superior proposal and have provided support agreements confirming that they will vote the shares they own or control in favour of the Scheme subject to the same condition.

Shareholders holding in aggregate 18.06% of Beadell agreed to vote in favour of the Scheme, in the absence of a superior proposal, and not to dispose of their Beadell shares, except in respect of a superior proposal. Those shareholders include funds associated with Equinox Partners holding 9.84%, Donald Smith & Co. holding 7.15%, other smaller shareholders, directors and management.

A full copy of the Scheme Booklet, which included the Independent Expert's Report (IER) and Notice of Scheme Meeting, was sent to Beadell shareholders on 11 January 2019.

- **Great Panther's Non-Revolving Term Loan** – On 7 December 2018, Beadell announced that Great Panther had entered into a loan agreement with the Company with a principal amount of US\$5 million. Following the announcement of the receipt of BRL\$37.9 million (~US\$10.3 million) of COFINS on 10 January 2019, Great Panther agreed to accept partial repayment of US\$3 million of the principal loan amount, plus interest and fees accrued to date, and to extend the maturity date of the remaining US\$2 million to 18 March 2019, in order to provide Beadell with additional funds for general working capital and operating requirements.
- **Gold Sales** – Gold sales for the December 2018 quarter totalled 38,422 ounces at an average cash price received of US\$1,221 per ounce.
- **Cash and Bullion** – Cash and bullion as at 31 December 2018 was A\$17.4 million (as at 30 September 2018 was A\$13.8 million) (bullion valued at AUD/USD = 0.72 and US\$1,282 per ounce). Working capital was negative A\$11.3 million.
- **Debt Repayment**
  - Santander – Itaú: US\$2.5 million scheduled loan repayment; and a US\$5 million dollar scheduled repayment after the period end.
  - Working Capital Facilities: US\$1.8 million repaid.

## December 2018 Quarterly Review

### OPERATIONS

#### Production

Gold production in the December 2018 quarter totalled 43,365 ounces, a decrease of 11% over the December 2017 quarter (Table 1). This resulted from a 13% decrease in gold ore milled and 4% decrease in the plant recovery, offset by 6% increase in gold grade. Gold production for the CY2018 totalled 123,296 ounces, a reduction of 5% over CY2017. This was due to the delay in completion of the Tucano Plant Upgrade Project, which restricted processing of higher volumes of sulphide ore, with a 6% reduction in gold ore milled. Insufficient oxygen injection into the leach tanks impacted recovery resulting in a 3% decline in the plant recovery rate, offset by a 3% increase in gold grade through the plant. Comparing the December 2018 quarter to the September 2018 quarter, production was up 45%. This was due to a 39% increase in head grade and 3% in the recovery rate.

**Table 1: Tucano 2018 Production Summary**

Production Summary	Unit	Dec 2018 Quarter	Sep 2018 Quarter	%	Dec 2017 Quarter	%	CY2018	CY2017	%
Total Waste Moved	t	4,081,379	3,996,079	2%	6,399,335	-36%	18,173,428	18,235,696	0%
Marginal Ore Mined	t	17,797	1,392	1,179%	337	5,181%	43,300	18,498	134%
Gold Ore Mined	t	768,996	621,869	24%	1,184,112	-35%	2,440,542	3,017,665	-19%
Gold Ore Mined Grade	g/t	1.59	1.51	5%	1.54	3%	1.42	1.23	15%
Total Material Mined	t	4,868,173	4,619,339	5%	7,583,784	-36%	20,657,271	21,271,860	-3%
Total Gold Ore Milled	t	872,137	864,455	1%	997,030	-13%	3,504,129	3,720,125	-6%
Spent Gold Ore Milled	t	103,465	36,674	182%	89,672	15%	507,951	759,755	-33%
Spent Gold Ore Milled	%	12%	4%	200%	9%	33%	14%	20%	-30%
Plant Head Grade	g/t	1.75	1.26	39%	1.65	6%	1.25	1.21	3%
Plant Recovery	%	88.3%	85.60%	3%	92.1%	-4%	87.3%	89.9%	-3%
<b>Total Gold Recovered</b>	<b>oz</b>	<b>43,365</b>	<b>29,941</b>	<b>45%</b>	<b>48,739</b>	<b>-11%</b>	<b>123,296</b>	<b>129,764</b>	<b>-5%</b>
<b>Total Gold Sold</b>	<b>oz</b>	<b>38,422</b>	<b>27,637</b>	<b>39%</b>	<b>45,351</b>	<b>-15%</b>	<b>122,472</b>	<b>128,342</b>	<b>-5%</b>

#### Mining

The Tucano site team made the decision to focus U&M efforts on infrastructure works and reduce material movement due to a build-up in run of mine (ROM) stockpiles and to manage working capital constraints in the December 2018 quarter.

In the December 2018 quarter, 768,996 tonnes of gold ore were mined, a decrease 35% over the December 2017 quarter and 24% increase over the September 2018 quarter related to the mobilisation and commissioning of U&M's mining fleet, which was completed in November 2018. Total material mined was 4,868,173 tonnes, a decrease of 36% over the December 2017 quarter and an increase of 5% over the September 2018 quarter (Table 1). Despite the reduced material movement capacity during the transition between mining contractors there was only a 3% year on year decrease in the total material mined. Unit mining costs have improved due to the step-change in the performance-based cost structure of U&M compared to the previous mining contractor. In addition, Beadell has now greater flexibility in managing the mining contract as the new contract is purely variable and denominated in cost per cubic meter delivered. Productivity improvements are notable when comparing actual to budget performance with the full mobilisation of the U&M fleet in January 2019 to the performance in the January 2018 (Table 2).

**Table 2: Comparison of January 2019 year to date and January 2018 actual versus budgeted material movement demonstrating improvement in delivering at and above budget under the 100% U&M contract**

Year Over Year January Actual Vs Budgeted Material Movement	Actual Daily Average	Budget Daily Average	Variance Actual to Budget
<b>January 2019 (to 27 January) – 100% U&amp;M Contract</b>			
Total Tonnes Moved	57,217	50,111	14%
Total Tonnes Mined	46,484	39,525	18%
<b>January 2018</b>			
Total Tonnes Moved	40,225	55,185	-27%
Total Tonnes Mined	40,225	53,708	-25%

## Processing

During the quarter, CIL plant throughput was 872,137 tonnes, a decrease of 13% over the December 2017 quarter and the process plant recovery for the period was 88.3%, down 4% (Table 1). The mill feed grade was 1.75 g/t gold, 6% higher than the same period last year. The mill feed grade improved due to increased contribution of high-grade ore from both Tap AB and Urucum (Table 3). The year over year recovery rates were negatively impacted by insufficient oxygen injection to process higher-grade, high-pyrrhotite sulphide ore. The Tucano team is focused on managing the sulphide blend based on pyrrhotite content to maximise recoveries until arrival of the modular liquid oxygen supply in March 2019 for a modest capital investment of ~US\$110,000 (ASX Announcement 9 January 2019). This will supplement the Tucano oxygen plant. The volume of sulphide ore processed increased by 63% from the September to December 2018 quarters with the sulphide feed comprising 44% of the total ore feed in December 2018 (Table 3).

**Table 3: Tucano 2018 monthly plant performance and sulphide ore blend as a percentage of the total plant feed**

Month	Tonnes Processed (t)	% of Sulphide Ore	Gold Grade (g/t)	Recovery (%)	Gold Production (oz)
January	324,295	15%	1.23	88%	11,359
February	280,789	9%	0.92	88%	7,298
March	274,823	18%	1.00	88%	7,728
April	289,120	20%	1.03	87%	8,362
May	306,553	17%	0.90	88%	7,726
June	291,957	23%	0.93	86%	7,515
July	302,140	14%	0.86	89%	7,414
August	270,294	21%	1.13	88%	8,637
September	292,021	18%	1.79	83%	13,889
October	307,133	14%	1.73	88%	15,046
November	275,272	28%	1.64	86%	12,471
December	289,732	44%	1.88	90%	15,848

## Costs

Reported AISC per ounce for the December 2018 quarter decreased 4% from the December 2017 quarter due to improved operating costs from the change in mining contractor to U&M and increased grade through the plant (Table 4). Weakening of the Brazilian Real also positively impacted AISC in US dollar terms (Table 4).

The Company has implemented a number of cost reduction initiatives including:

- Engaging U&M for a life of mine contract that results in ~US\$100 million in savings;
- Reviewed and re-negotiated key supply contracts;
- 9% reduction in Brazil headcount;

- 20% reduction in executive headcount; and
- 52% reduction in CEO and Managing Director salary versus the previous CEO and Managing Director's 2017 remuneration.

**Table 4: Tucano 2018 Cost Summary**

Cash Costs and All-In Sustaining Costs	Unit	Dec 2018 Quarter	Sep 2018 Quarter	%	Dec 2017 Quarter	%	CY2018	CY2017	%
On-Site Production Costs	US\$/oz	791	842	-6%	806	-2%	823	1,040	-21%
On-Site G&A Costs	US\$/oz	41	57	-28%	45	-9%	57	60	-5%
<b>Cash Costs</b>	<b>US\$/oz</b>	<b>832</b>	<b>899</b>	<b>-7%</b>	<b>851</b>	<b>-2%</b>	<b>880</b>	<b>1,100</b>	<b>-20%</b>
Royalties	US\$/oz	30	30	0%	33	-9%	32	28	14%
On-Site Corporate Costs	US\$/oz	31	24	29%	34	-9%	35	32	9%
Exploration Costs (Sustaining)	US\$/oz	-	1	-%	1	-%	2	1	100%
Capitalised Stripping Costs (Sustaining)	US\$/oz	-	7	-%	8	-%	121	9	1244%
Capital Expenditure (Sustaining)	US\$/oz	-	1	-%	6	-%	3	10	-70%
<b>All-In Sustaining Costs*</b>	<b>US\$/oz</b>	<b>893</b>	<b>962</b>	<b>-7%</b>	<b>933</b>	<b>-4%</b>	<b>1,073</b>	<b>1,180</b>	<b>-9%</b>
<b>Exchange Rate</b>	<b>US/BRL</b>	<b>3.81</b>	<b>3.94</b>	<b>-3%</b>	<b>3.25</b>	<b>17%</b>	<b>3.65</b>	<b>3.20</b>	<b>14%</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.

### Tucano Plant Upgrade Project

On 22 November 2018, Beadell advised that construction of the pre-leach thickener, CIL tank and oxygen tank that comprised the final stages of the Project were complete and fully commissioned.

As outlined in the 31 July 2018 ASX Announcement, the Project will increase sulphide ore processing capacity and encompasses four key areas including installation of a ball mill, pre-leach thickener, CIL tank and oxygen plant:

1. Ball Mill: Ensures optimal grind of P80 of 75 microns for up to 80% sulphide ore. Completed and commissioned as per ASX Announcement dated 3 September 2018.
2. Pre-Leach Thickener: Ensures consistent densities through the leach circuit during cyanide addition resulting in increased leaching efficiency. Completed and commissioned 3 November 2018.
3. Leach Tank: Additional leach tank, for a total of seven tanks, increases residency time by two to three hours. This will help maintain the current adsorption retention times. Completed and commissioned 15 November 2018.
4. Oxygen Plant: The oxygen plant supplies oxygen injection (sparging) into the first four leach tanks and is required when the ore blend is predominantly sulphide to improve leach kinetics, increase recoveries and reduce cyanide consumption. The oxygen plant was commissioned on the 15 November 2018. As highlighted in the 7 December 2018 ASX Announcement, the Tucano plant has processed up to 87% sulphide ore with 92.91% recovery, versus the life of mine plan of 80% sulphide ore at 93% recovery. This demonstrates that the plant is capable of physically processing higher percentage volumes of sulphide ore. The oxygen plant/sparger configuration, as designed by the previous Tucano Plant Upgrade contractor, appears to be a bottleneck for higher-grade, high-pyrrhotite content sulphide ore as it is not supplying sufficient oxygen to achieve design recoveries. This ore type has to be blended at lower volumes otherwise recovery is negatively impacted. The Tucano team continues to evaluate the optimal blend of higher-grade, high-pyrrhotite sulphide ore to maximise metallurgical recovery and minimise consumables. In order to achieve the feasibility target recovery of 93% recovery for all ore types and maximum ore type processing flexibility, the decision has been made to install a supplemental Brazilian modular liquid oxygen supply system at a very modest capital investment of ~US\$110,000 and a minimal impact to processing costs of approximately 2%. This will be installed in March 2019 and management believes that this should increase oxygen in the leach tanks sufficient to achieve design recoveries for higher-grade ore with high-pyrrhotite content. High-pyrrhotite, higher grade ore stockpiles are 3,182 ounces at 1.66g/t gold as of 27 January 2019.

## Annual Resource & Reserve Statement Update

On 4 December 2018, Beadell announced a depletion only Annual Ore Reserve and Mineral Resource update as at 30 June 2018, produced in accordance with the 2012 Edition of the Australasian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves (JORC Code).

Due to budget constraints (resulting from the Tucano Plant Upgrade and change in mining contractor) and changes in management, Beadell had undertaken insufficient drilling to add to its mineral resources and ore reserves estimates in 2018. This update was a re-statement of the Annual Ore Reserve and Mineral Resource statement as at 30 June 2017, after depletion by mining and processing activities from 1 July 2017 through to 30 June 2018. Initial limited drilling had indicated promising results, but the Company was not able to report exploration results until further drilling and analysis has occurred. The Tucano site team expect to be in a position to undertake this further work throughout 2019 upon completion of the announced transaction with Great Panther. Plans include infill and step out drilling to convert inferred resources to measured and indicated resources and to further define the four discoveries (ASX Announcement 18 September 2018) along the Tucano mine trend. The highest priority step-out target will be the Neo lodes as they occur in the current Tap AB reserve pit outline in an area classified as waste. The highest priority infill targets lie between the Tap AB and Tap C, and between the Tap C and Urucum pits. The Company will update the market on the progress of this drilling once underway.

### Tucano Ore Reserves

Total Ore Reserves as at 30 June 2018 were 21.67 million tonnes @ 1.81 g/t gold for 1.26 million ounces compared to 25.06 million tonnes @ 1.83 g/t gold for 1.47 million ounces as at 30 June 2017. This is a decrease of 145,000 ounces due to depletion over the second half of 2017 and first half of 2018 and 67,000 ounces due to a downward revision of the Urucum Underground Reserve.

Total Open Pit Reserves are 16.52 million tonnes @ 1.74 g/t gold for 924,000 ounces compared to 18.45 million tonnes @ 1.77 g/t gold for 1.05 million ounces as at 30 June 2017.

Total Stockpile Reserves are 2.77 million tonnes @ 0.66 g/t gold for 59,000 ounces compared to 3.64 million tonnes @ 0.66 g/t gold for 77,000 ounces as at 30 June 2017.

Total Underground Reserves as at 30 June 2018 were 2.38 million tonnes @ 3.64 g/t gold for 278,000 ounces compared to 2.97 million tonnes @ 3.61 g/t gold for 345,000 ounces as at 30 June 2017. This is a decrease of 67,000 ounces resulting from a revision of the Urucum Underground reserve by AMC. Please see page 4 of this announcement for further clarification.

### Mineral Resources

The Company's Measured, Indicated and Inferred Mineral Resources as at 30 June 2018 were 59.24 million tonnes @ 1.86 g/t gold for 3.54 million ounces. This is a decrease of 187,000 ounces (5%) after allowing for ounces mined during the second half of 2017 and first half of 2018.

Total Open Pit Resources are 32.09 million tonnes @ 1.62 g/t gold for 1.67 million ounces compared to 35.43 million tonnes @ 1.61 g/t gold for 1.84 million ounces as at 30 June 2017.

Total Stockpile Resources are 4.26 million tonnes @ 0.58 g/t gold for 79,000 ounces compared to 5.23 million tonnes @ 0.59 g/t gold for 99,000 ounces as at 30 June 2017.

Total Underground Resources at Urucum and Tap AB are 16.43 million tonnes @ 2.76 g/t gold for 1.46 million ounces.

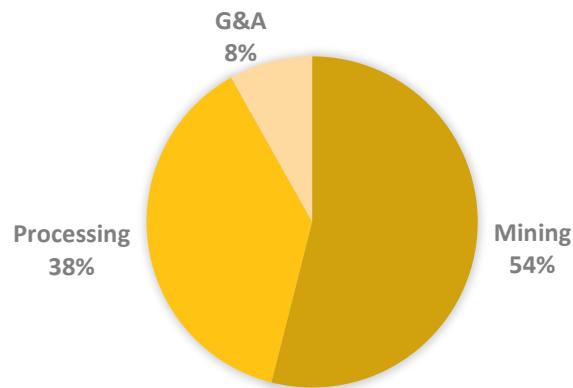
### 2019 PRODUCTION & COST GUIDANCE

The 2019 Tucano Gold Mine forecast production of 145,000 to 155,000 ounces of gold and AISC of US\$1,000 to US\$1,100 per ounce is based on a gold price of US\$1,275 per ounce and the Brazilian Central Bank 2019 US USD/BRL forecast of 3.62 (Tables 5 and 6, Chart 1). Gold production will vary significantly from quarter to quarter due to mine sequencing with increased stripping and lower grade than average forecast for CYH1/19 versus CYH2/19. The USD cost forecasts are very sensitive to the BRL exchange rate, thus costs are also presented in BRL. Capital expenditure is mainly related to a planned tailings dam lift (Table 5).

**Table 5: 2019 Tucano Forecast Operation Assumptions**

Operating Assumptions	Unit	2019 Forecast	
Gold Production	ounce	145,000-155,000	
Quarterly Gold Production Profile	%	March quarter: 18% June quarter: 18% September quarter: 23% December quarter: 41%	
Sulphide Ore Processed	%	80%	
<b>Tucano CAPEX</b>	M \$	<b>BRL</b>	<b>US</b>
Sustaining	M \$	1.75	0.48
Tailings Dam	M \$	24.12	6.66
<b>Total CAPEX</b>	M \$	<b>25.87</b>	<b>7.15</b>
<b>Gold Price Gold Price Assumption</b>	US\$/oz	\$1,275	
<b>US to BRL Assumption</b>		<b>3.62</b>	

**Chart 1: 2019 Tucano Forecast Mining, Processing and G&A Cost Breakdown by Percentage**



**Table 6: Tucano 2019 Cost Forecast and Sensitivity to US/BRL Exchange Rate**

Tucano US\$ Cost Exchange Rate Sensitivity	US/BRL Exchange Rate	Cash Cost		AISC	
		From	To	From	To
BRL (\$/oz)	NA	3,086	3,357	3,615	3,964
Brazilian Central Bank Forecast (US\$/oz)	3.62	853	927	1,007	1,095
2018 Average (US\$/oz)	3.65	846	920	998	1,086
Forward Curve (US\$/oz)	3.85	802	872	947	1,030

## CORPORATE & FINANCE

### Great Panther Silver to Acquire Beadell

On 21 December 2018, Beadell announced that the Supreme Court of Western Australia had made orders approving the dispatch of the Scheme Booklet and the convening of a meeting of Beadell shareholders in relation to the proposed scheme of arrangement under which Great Panther will acquire all of the issued shares in Beadell.

ASIC had also registered the Scheme Booklet in relation to the Scheme.

The independent expert appointed by Beadell to review the Scheme, Deloitte Corporate Finance, has concluded that the Scheme is not fair but reasonable in the absence of a higher offer, and therefore in the best interests of Beadell shareholders.

The **directors of Beadell unanimously recommend that shareholders vote in favour of the Scheme** in the absence of a superior proposal and have provided support agreements confirming that they will vote the shares they own or control in favour of the Scheme subject to the same condition.

Shareholders holding in aggregate 18.06% of Beadell agreed to vote in favour of the Scheme, in the absence of a superior proposal and not to dispose of their Beadell shares, except in respect of a superior proposal. Those shareholders include funds associated with Equinox Partners holding 9.84%, Donald Smith & Co. holding 7.15%, other smaller shareholders, directors and management.

A full copy of the Scheme Booklet, which included the Independent Expert's Report (IER) and Notice of Scheme Meeting, was sent to Beadell shareholders on 11 January 2019.

#### Scheme Timetable

The Scheme Meeting is currently scheduled to be held at 10:00am (AWST) on 12 February 2019 at the Celtic Club, 48 Ord Street, West Perth WA 6005.

All Beadell shareholders are encouraged to vote either by attending the Scheme Meeting in person, or by lodging a proxy form by 10:00am (AWST) on 10 February 2019. Details of how to lodge a proxy form are included on the proxy form and in the Scheme Booklet.

An indicative timetable of the key milestones remaining under the Scheme is provided in Table 7.

**Table 7: Scheme Timetable**

Event	Date*
Latest time and date for receipt of proxy forms or powers of attorney by the Beadell Share Registry for the Scheme Meeting	10:00am AWST on 10 Feb 2019
Time and date for determining eligibility to vote at the Scheme Meeting	10:00am AWST on 10 Feb 2019
Scheme Meeting	10:00am AWST on 12 Feb 2019
<b>If the Scheme is approved by Beadell Shareholders at the Scheme Meeting:</b>	
Second Court Date to approve the Scheme	15 Feb 2019
Effective Date – the date the Scheme comes into effect under the Corporations Act	18 Feb 2019
Last day of trading in Beadell Shares on ASX	18 Feb 2019
Scheme Record Date	25 Feb 2019
Latest time and date for receipt of Election Forms from Small Shareholders	5.00pm AWST on 25 Feb 2019
Implementation Date	5 Mar 2019
New Great Panther Shares commence trading on TSX on a normal settlement basis	8 Mar 2019
New Great Panther Shares commence trading on NYSE (American) on a normal settlement basis	8 Mar 2019
Expected dispatch of DRS Advices for New Great Panther Shares	19 Ma 2019

\*All dates are indicative only and are subject to the Court approval process, ASX and TSX approval, and the satisfaction or waiver of the conditions precedent under the Scheme Implementation Deed. Beadell may vary any or all of these dates and times and will provide notice of any such variation on ASX.

#### **Gold Sales**

Gold sales for the December 2018 quarter totalled 38,422 ounces at an average cash price received of US\$1,221 per ounce.

#### **Cash & Bullion**

Cash and bullion as at 31 December 2018 was A\$17.4 million (as at 30 September 2018 was A\$13.8 million) (bullion valued at AUD/USD = 0.72 and US\$1,282 per ounce).

#### **Non-Sustaining Expenditure**

Non-sustaining capital expenditure for the quarter was A\$8.3 million, which was largely associated with the Tucano Plant Upgrade and mine infrastructure. Non-sustaining exploration expenditure for the quarter was A\$1.0 million.

## Great Panther's Non-Revolving Term Loan

On 7 December 2018, further to the ASX Announcement of 24 September 2018 announcing the friendly acquisition of the Company by Great Panther, Great Panther and Beadell entered into a loan agreement (Loan Agreement) pursuant to which Great Panther agreed to advance Beadell and its subsidiary, Beadell Brasil Ltda. (Beadell Brasil), as joint and several borrowers, a non-revolving term loan in the principal amount of US\$5 million (Loan). Pursuant to the Loan Agreement, the Loan interest is 14% per year in arrears and had a term to January 15, 2019.

On 14 January 2019, Beadell announced that as part of the loan agreement, Great Panther had a right to prepayment of any outstanding principal balance of the Loan from the proceeds of PIS (Programas de Integração Social e de Formação do Patrimônio do Servidor Público) and COFINS (Contribuição para o Financiamento da Seguridade Social) tax refunds. Receipt of BRL\$37.9 million (~US\$10.3 million) of COFINS was announced on 10 January 2019 and Great Panther agreed to accept partial repayment of US\$3 million of the principal loan amount, plus interest and fees accrued to date, and to extend the maturity date of the remaining US\$2 million to 18 March 2019 in order to provide Beadell with additional funds for general working capital and operating requirements. The maturity date of the Loan falls after the meetings of Great Panther and Beadell shareholders to approve the acquisition of Beadell by Great Panther.

### Receipt of ~US\$10.3 Million Tax Credit

On 10 January 2018, Beadell announced receipt of BRL\$37.9 million (~US\$10.3 million) of tax refunds from COFINS (Contribuição para Financiamento da Seguridade Social). In addition, the Company has begun proceedings for the remaining ~BRL\$40 million (~US\$10.9 million) of COFINS currently owed.

### Debt

A scheduled Santander – Itaú repayment of US\$2.5 million was made and US\$1.8 million in Brazilian working capital facilities were also repaid during the quarter.

The Company's 2019 quarterly forecast debt and interest repayment schedule is summarised in Table 8.

**Table 8: Beadell CY2019 Quarterly Debt and Interest Repayment Schedule (AUD/USD 0.72)**

CY2019 Debt & Interest Repayment Schedule (\$ million)	March Quarter	June Quarter	September Quarter	December Quarter
Santander – Itaú Debt	USD 5.00	USD 5.00		
Santander – Itaú Interest	USD 0.10	USD 0.10		
Convertible Debentures Interest		USD 0.30		USD 0.30
MACA Debt*	AUD 3.00		AUD 4.50	AUD 4.50
MACA Interest	AUD 0.90	AUD 0.90	AUD 0.80	AUD 0.80
Working Capital Facilities Interest	USD 0.70	USD 0.10	USD 0.10	USD 0.20
Great Panther Silver Term Loan	USD 5.00			
Great Panther Silver Interest	USD 0.20			
<b>Total Debt &amp; Interest</b>	<b>AUD 19.18</b>	<b>AUD 8.54</b>	<b>AUD 5.44</b>	<b>AUD 5.99</b>

\*MACA has the right to elect to convert some of the debt to equity in Beadell via issuance of up to 9.9% of Beadell's issued and outstanding shares at a 10% discount to the 5-day volume weighted average share price once every 12-month period, subject to any regulatory and requisite approvals. MACA has the right to a minimum of 30% of any new equity raising or debt issue (net of costs and expenses). Great Panther reached an agreement with MACA on modification of the loan terms that will be in effect if the Scheme is approved by Beadell shareholders. Refer to 20 November 2018 ASX Announcement for details.

**ASX Code: BDR**

Board of Directors		Senior Management	
Brant E. Hinze	Non-Exec. Chairman	Nicole Adshead-Bell	CEO & Managing Director
Nicole Adshead-Bell	CEO & Managing Director	Greg Barrett	CFO / Company Secretary
Craig Readhead	Non-Exec. Director	Graham Donahue	Head of Corp. Develop.
Timo Jauristo	Non-Exec. Director	Aoife McGrath	Head of Exploration & Geology
		Luis Pablo Diaz	Country Manager - Brazil
		Julio Cesar Carneiro	Finance Director - Brazil
Corporate Details		Head Office	
Issued capital: 1,673,584,196 ordinary shares (as at 31 December 2018)		Level 2, 16 Ord Street, West Perth 6005	
ABN 50 125 222 291		PO Box 542, West Perth 6872	
<a href="http://www.beadellresources.com.au">www.beadellresources.com.au</a>		Tel: +61 8 9429 0800	
		Fax: +61 8 9481 3176	
For further details			
Nicole Adshead-Bell	Toronto, Canada	Greg Barrett	Perth, Australia
Graham Donahue			
Tel: +1 647 775 8439		Tel: +61 8 9429 0800	

**COMPETENT PERSON STATEMENT**

The information in this report relating to Open Pit Ore Reserves is based on information compiled by Mr Felipe Fernandes 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 Fernandes is a full-time employee of the Beadell Brasil Ltd 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 Underground Ore Reserves is based on information compiled by Mr Gary Methven 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 Methven is a consultant and a full-time employee of AMC Consultants (Canada) Ltd. 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 Mineral Resources has been approved by Mr Paul Tan who is a member of the Australasian Institute of Mining and Metallurgy and has sufficient 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 Brasil 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 in this report relating to Urucum Underground, Tap AB Underground, Tap C open pit and Duckhead Open pit Mineral Resources is based on information compiled by Mr Marcelo Batelochi 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 Batelochi is a consultant 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 Urucum open pit and Tap AB open pit Mineral Resources is based on information compiled by Mr Brian Wolfe who is a member of the Australian Institute of Geoscientists and has sufficient 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 Wolfe is a consultant and consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.