



ASX ANNOUNCEMENT  
ASX Code: **BDR**

16 December 2009

**ADDITIONAL GOLD MINERALISED ZONES INTERSECTED AT WEST MUSGRAVE**

**10 m @ 1.04 g/t GOLD FROM 25 m**

Beadell Resources Limited (“**Beadell**”) is pleased to announce that results from the remaining Reverse Circulation (**RC**) holes from the initial seven hole RC drilling program at the Company’s 100% owned West Musgrave, Handpump prospect have intersected additional gold mineralised zones of up to **10 m @ 1.04 g/t** gold from 25 m. These results confirm the existence of a maiden gold discovery in the West Musgrave Complex of Western Australia (Figure 1), where the previously reported first RC hole HPC001 intersected a composite result of **65 m @ 0.83 g/t** gold from 10 m, including a central high grade interval of **5 m @ 5.1 g/t** gold from 35 m depth within a zone of **15 m @ 2.3 g/t** gold from 30 m (See ASX release 7 December 2009).

Gold mineralisation at the Handpump prospect is associated with a magmatic hydrothermal breccia hosted in rhyolite. The mineralisation remains completely open to the northwest of the initial discovery drill hole HPC001 and a follow up RC drilling program is currently being planned to test both the northwest extension of the mineralisation under cover and down dip projection of the mineralisation. The planned RC drilling program will commence in January 2010 subject to regulatory approvals. All results reported to date are from 5 m composite samples and field crews are currently retrieving individual one metre samples for analysis and reporting.

The nature and orientation of the gold mineralisation are at an early stage of interpretation due to the limited drill hole information, however a combination of outcropping mineralisation and drill hole intercepts indicate a northwest strike and a steep northeast dip.

In addition to the main mineralised zone intersected in HPC001 further mineralised breccia zones were intersected in HPC006 with results of **10 m @ 1.04 g/t** from 25 m and **5 m @ 0.56 g/t** from 100 m (Figure 2 & 3). Extensions to these new zones will be tested with the next phase of RC drilling.

The main mineralised breccia zone intersected in HPC001 has only been partly tested on one other RC traverse 100 m to the east where drill holes HPC004 and HPC005 intersected composite results of **5 m @ 0.53 g/t** gold from surface and **5 m @ 1.41 g/t** gold from 5 m respectively (Figure 2 & 4). A reinterpretation of the geology in the area has shown breccia zones, alteration and gold mineralisation to dip more steeply to the north than previously

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thought. Drill hole HPC003 located a further 100 m to the east failed to intersect the north dipping breccia zone due to being inclined to the north and therefore the main breccia also remains completely open to the southeast as well as northwest (Figure 2).

The Handpump prospect has only been partially tested over a strike length of 300 m. Multiple zones of gold mineralisation suggest a larger and as yet undefined mineralised system located along a major geological contact between agglomerate and brecciated rhyolite with untested strike extensions under cover to the northwest. To the southeast outcropping breccia has been identified and a continuous 2 m rock chip costean sampling 300 m to the southeast of the nearest RC drilling has identified two separate zones of gold mineralisation. The first zone is interpreted to lie along strike of the main breccia zone and anomalous rock chip results returned a maximum result of 2 m @ 0.15 g/t. A second anomalous zone up to 25 m wide recorded a maximum value of 2 m @ 0.29 g/t (Figure 2). These potential strike extensions are yet to be drill tested however are readily accessible, and will be targeted with follow up RC drilling. Extensive infill surface sampling and detailed mapping of this area will be completed.

“We are extremely encouraged by these early stage drill results from this exciting new discovery in the Musgrave region and the geological team looks forward to an extensive follow up RC program as soon as possible in the New Year. Coupled with our other core projects located at Tropicana East in Western Australia, and the recent new gold discovery at our Tartaruga Project in Brazil, 2010 is certainly shaping up as an exciting year” said Beadell’s Managing Director Peter Bowler.



Figure 1 Handpump Prospect Location Plan.

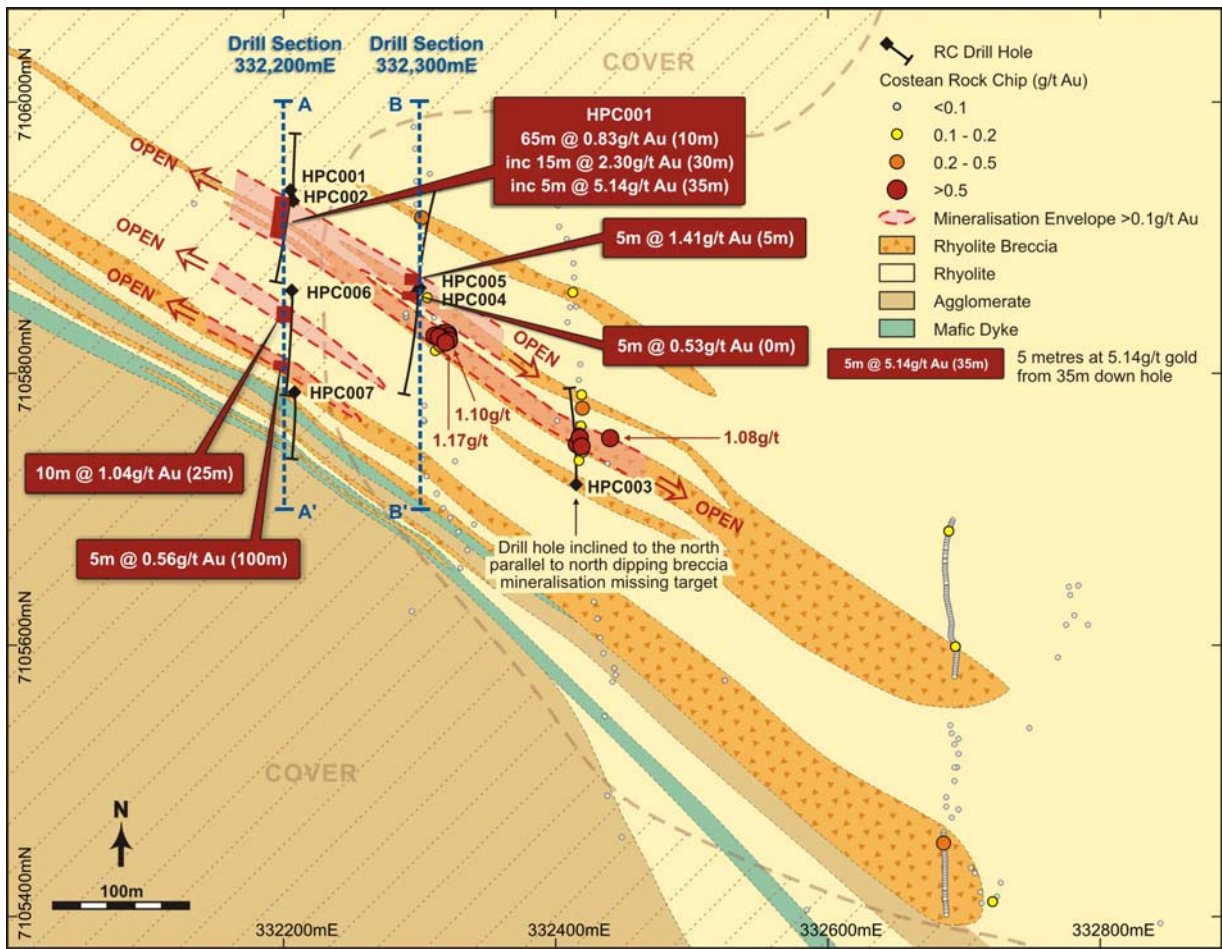


Figure 2. Handpump Prospect Interpreted Geology, Drill Hole and Costean Location Plan.

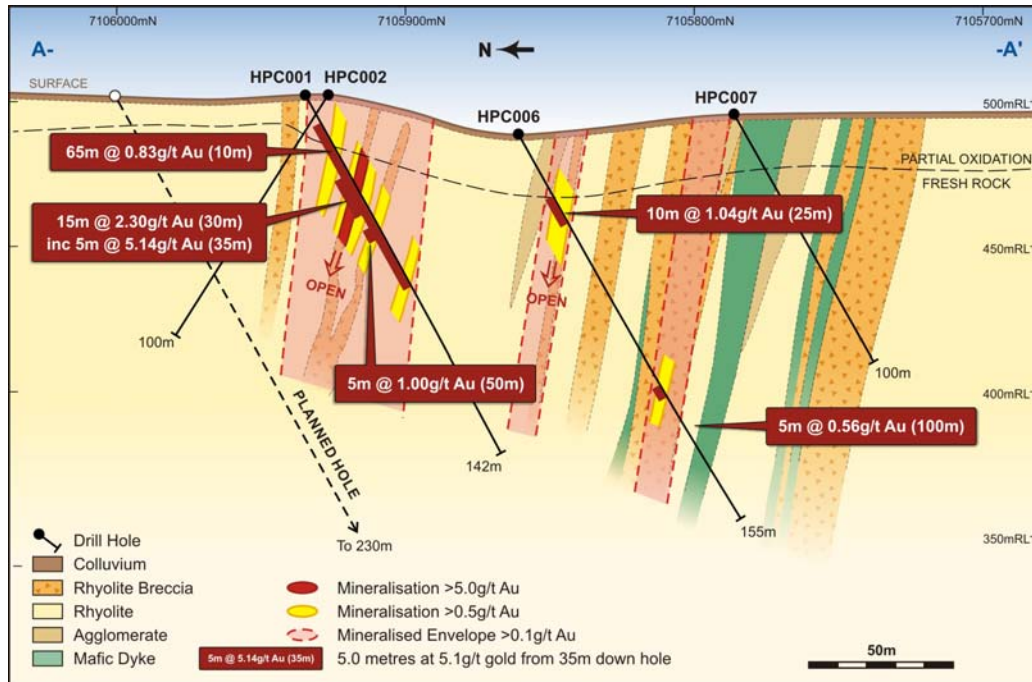


Figure 3. Handpump Prospect 332200E Drill Section.

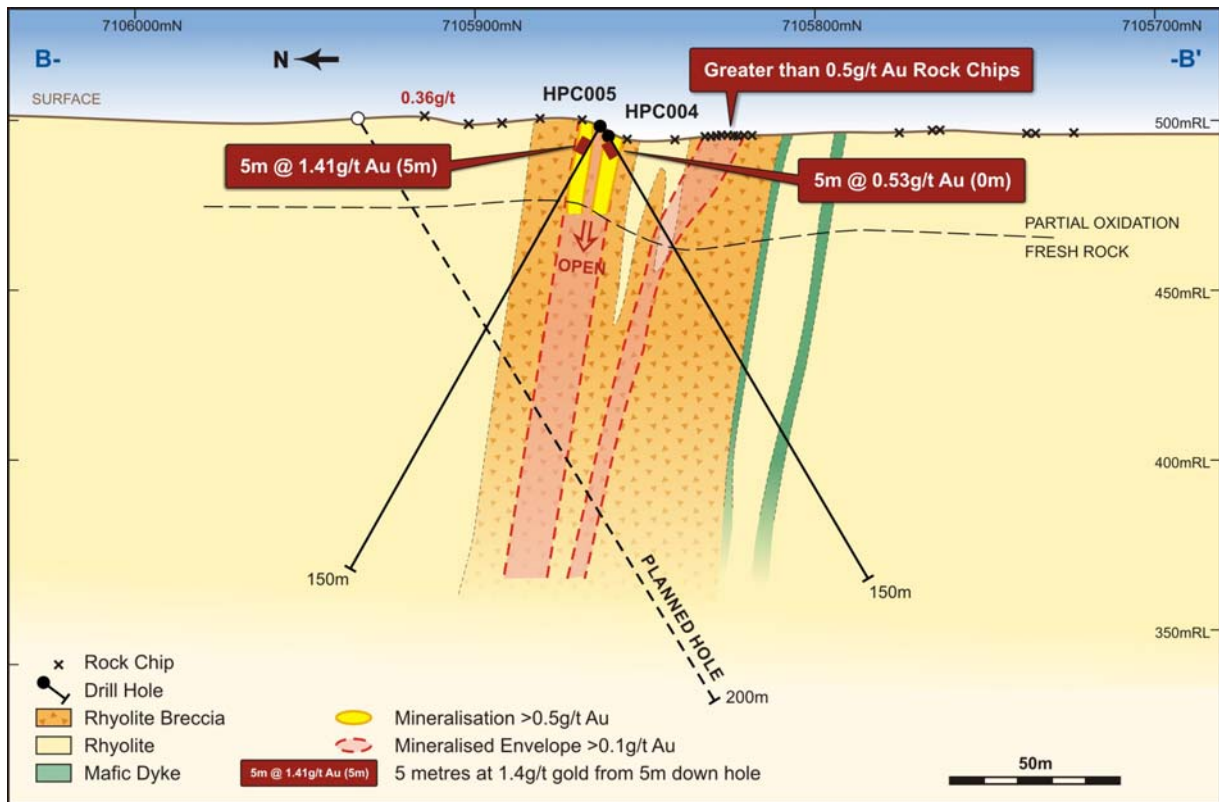


Figure 4 Handpump Prospect 332300E Drill Section.

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**Competency Statement**

*The information in this report relating to Exploration Results and Mineral Resources is based on information compiled by Mr Robert Watkins who is a member of the Australian Institute of Mining and Metallurgy and has sufficient exploration experience which is relevant to the various styles of mineralisation under consideration to qualify as a Competent Person as defined in the 2004 Edition of the 'Australian Code for Reporting of Exploration Results, Mineral Resources and Ore Reserves'. Mr Watkins is a full time employee of Beadell Resources Ltd. Mr Watkins consents to the inclusion in the report of the matters based on his information in the form and context in which it appears.*