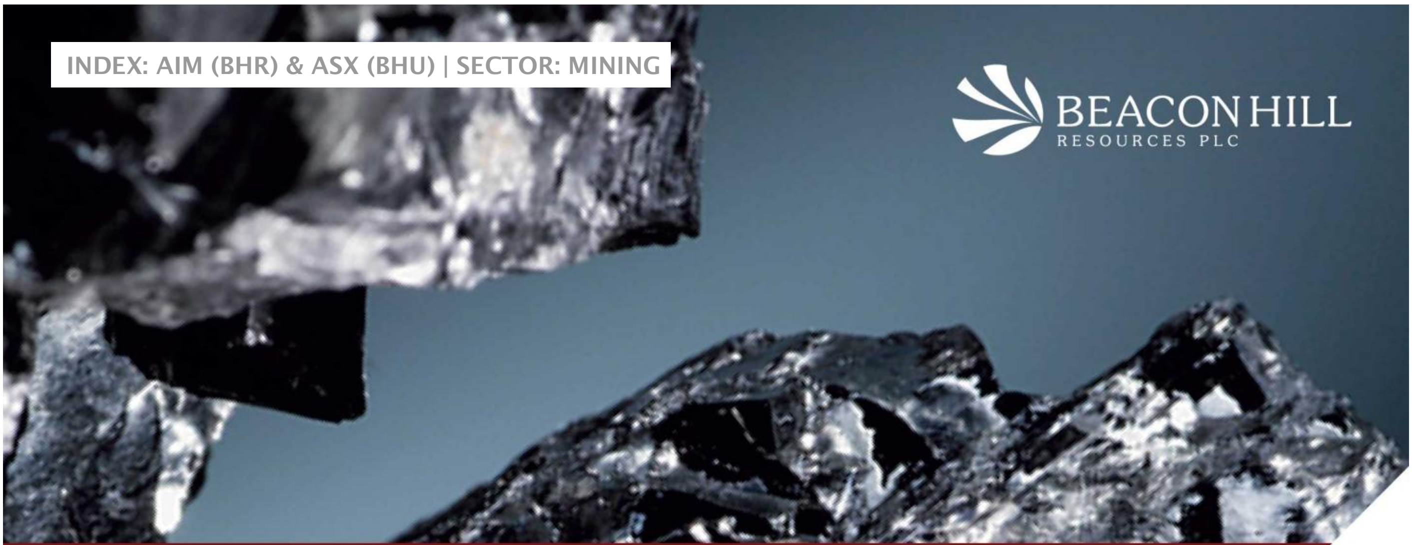

HALF YEAR REPORT

FOR THE PERIOD ENDED 30 JUNE 2013

BEACON HILL RESOURCES PLC ('Beacon Hill' OR 'the Company')
RESULTS FOR ANNOUNCEMENT TO THE MARKET

H1 2013 Highlights

- +300% increase in coal wash plant capacity to 1.8 Mtpa completed at flagship Minas Moatize Coking Coal Project in Tete, Mozambique ("Minas Moatize")
  - First low volatile premium hard coking coal and export quality thermal coal product produced
  - Plant commissioning phase is progressing well with potential challenges identified and being rectified
- +31% increase in JORC Resource at Minas Moatize – upgraded to 86.8 Mt (Measured and Indicated of 76.3 Mt) from 66.4 Mt Measured and Indicated
- Strategic end-to-end logistics solution to transport coking coal produced at Minas Moatize to export markets via the port of Beira:
  - **Rail:** Receipt of 7.7% capacity allocation on the Sena Line initially equivalent to 0.5Mtpa and anticipated to rise to 1.5 Mtpa following Sena Line capacity expansion
  - Rail infrastructure development is progressing well with the first Minas Moatize trains expected to depart for the Port of Beira in Q4 2013
  - **Rolling Stock:** U$21 million Lease agreement with Thelo Rolling Stock Leasing Proprietary Limited ("Thelo") for the provision of 5 locomotives and 90 wagons for the Sena Rail Line
  - Leasing conditions precedent finalised with the first rolling stock expected to arrive at Minas Moatize in Q4 2013
- Mining Contract signed between the Company and the Government of Mozambique to enhance the stability of the fiscal and regulatory environment for a period of 25 years
- Approximately US$21 million (approximately £14.1 million) raised through a placing to strengthen the Company's balance sheet, upgrade rail infrastructure including rail sidings, to commence the Phase 2B and 2C wash plant upgrades and for rail rolling stock related and general working capital purposes
- Funding discussions progressing with both conventional pre-export senior debt providers and a number of equipment providers to vendor finance the capex for Phase 2B and Phase 2C expansion on a Build, Own, Transfer ("BOT") basis

Rowan Karstel, Chief Executive Officer of Beacon Hill commented, *"The first six months of 2013 was an absolute turnaround for Beacon Hill. The Company achieved a number of key milestones which will ensure our Minas Moatize Coking Coal Project will become a tier 1 asset with SENA rail access to the Port of Beira, Mozambique. We continue to advance Minas Moatize as evidenced by inaugural production of coking and thermal coal following the completion of the first phase of our wash plant upgrade.*

"While the spot price of coking coal is lower than in previous years, low cost producers such as Beacon Hill remain well positioned to build value, particularly when considering the high quality specifications of our product and the on-going progress made in executing our cost efficient logistics solution. This differentiates us from many of our peers and with the associated rail infrastructure developing well, we look forward to completing the commissioning of the wash plant and moving into full production over the coming months."

ENDS

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CHAIRMANS REPORT

Overview

I am pleased to report the first half of 2013 has been one of the best periods for the development of Minas Moatize Coking Coal project since its acquisition by the Company in 2010. The new management team made an immediate impact and achieved a number of strategic milestones. The Company has progressed in every aspect of our business: recruitment of an experienced coal executive team continued with key appointments including Chief Operating Officer, Coal Marketing Director and Rail Manager, the Phase 2 wash plant commissioning increased our processing capacity threefold to 1.8 Mtpa, we achieved landmark Sena rail allocation, we broke ground at on- and off- load rail sidings, achieved a +31% JORC resource upgrade, secured US$21 million of new rolling stock and signing the Mining Contract with Government of Mozambique, to list just some of the notable achievements during H1 2013.

The frustration for the Board and shareholders is that despite this transformational first half and a US$21 million equity placement during April 2013, the Company's absolute share price performance continued to underperform in comparison to our expectations. The main reason can be attributed to the state of global coal markets where the spot hard coking coal price fell to five year lows during the first half of the year at approximately US$135/ton FOB Australia. With a modest recovery recorded since then and taking into account the long run marginal cost of production in Australia (the world's largest exporter) is approximately US$160/ton, we have hopefully reached the bottom with a number of higher cost producers incurring operating losses.

Corporate & Financial

In April 2013, against a difficult market backdrop for coal and commodities generally, the Company was successful in raising a further US$21 million and expanded its shareholder base. This was a vote of confidence in our new strategy, our new management, and quality of our coking coal asset.

The balance sheet remains strong with net assets of US$68 million and cash and contractor prepayments at the period end of US$13.6 million (including US$6 million of contractor prepayments). The Board is confident that during H2 2013 it will secure the necessary funding for the Phase 2B/2C wash plant expansion to 2.8Mtpa via a Build, Operate, Transfer ("BOT") contract with one of its preferred contractors.

Outlook

The Board expects difficult coal market conditions experienced during H1 2013 to persist for the remainder of the year. Nonetheless, we have a clear and focused plan to establish profitability by increasing our scale and operational efficiency.

The Company is in the fortunate position that upon completion of Phase 2B upgrade to 2.8 Mtpa, Minas Moatize will transition from a Tier II to a Tier I cash cost producer, capable of generating profits even at the current depressed prices. In addition, the Minas Moatize coking coal project scores well in every objective criteria for a globally significant coking coal asset namely (i) significant JORC resource (ii) tier I cash cost (iii) availability of rail infrastructure (iv) quality hard coking coal (v) presence in the emerging Mozambique coking coal basin (vi) it has entered the production phase. For this reason the Board is of the opinion the current value of the Company is substantially undervalued and shareholders will be eventually rewarded with a re-rating as our profile and presence in the seaborne coking coal market grows.

As a junior resource company, high quality growth is critical to shareholder returns and Management has been mandated to review a number of new initiatives including an extension of our resource into adjacent properties as well as vertical integration into higher value coking coal activities. The Board expects to update shareholders further during Q4 2013 on those initiatives and transactions under review.

I would like to close by commending our new management during a successful first half year and look forward to sustaining this level of performance as we move in to full scale production. In addition, I would like to thank our shareholders and local stakeholders for their continued support and I look forward to providing further news on our development into a profitable Mozambican coking coal producer in due course.

Justin Farr-Jones
Chairman
29 August 2013

Chief Executive Officers Report

MINAS MOATIZE COKING COAL PROJECT

Safety

For the 6 months ending June 2013 Minas Moatize achieved very good safety statistics:

- Lost time injury free days stand at 352 days.
- Fatality free man shifts: 712,070
- Reportable free man shifts: 384,257

Coal Resource Upgrade

In January 2013, the Company announced that the results of the infill drilling programme undertaken in 2012 resulted in Minas Moatize's JORC Resource being upgraded to 86.8Mt (Measured and Indicated of 76.3Mt) compared to the previous Resource statement of 66.4Mt all of which was Measured and Indicated. This represents an increase of 31% on the previous JORC resource statement.

JORC RESOURCE	Upgraded JORC Resource	Previous JORC Resource
Measured	41.4Mt	35.9Mt
Indicated	35.2Mt	30.5Mt
Inferred	10.6Mt	-
Less Historical Underground Extraction	0.4Mt	-
Total JORC Resource	**86.8Mt**	**66.4Mt**

Reserve Statement

The Company has completed an updated JORC compliant mineable reserve statement and will publish the results shortly after receipt of final committee approval from its consultants. Management has rebuilt the mining model database which has resulted in a delay to its preparation but which will moving forward enable its integration into mining models of adjacent properties.

Production

Mining and processing operations recommenced in May 2013 and 153,520 tonnes of ROM coal was mined, 47,072 ROM tons fed to plant with 14,354 tons of saleable coal produced. Production was therefore only active during the final eight weeks of the second quarter.

Production (tons)	Q1 2013	Q2 2013	YTD 2013
Run of Mine	-	153,520	153,520
Plant Feed		47,072	47,072
Saleable Coal	-	14,354	14,354

Post period-end, the production ramp up continued to progress well with the plant producing both coking coal and thermal coal to expected specification and qualities. Production ramp up is expected to increase further during H2 2013 as the commissioning progresses.

Due to the reduction in hard coking coal prices during the period, inventory is being carefully phased to produce volumes that will coincide with rolling stock availability in Q4 2013.

To date the Company has achieved composite quality specifications of hard coking coal and export thermal coal in line with expectations. The next phase of the ramp up is to produce the composite specifications at higher volumes and consistent yields.

Wash Plant (CHPP)

The Minas Moatize Phase 2A wash plant has been completed and the mine management are fully engaged with the commissioning phase. During May 2013 the plant was wet commissioned and the ramp up is progressing well although, as with any commissioning, we have encountered some issues which are being addressed.

- During the first week of May 2013 the correct medium was commissioned and the local plant staff were inducted and trained on basic plant operation of the new plant.
- During the third week in May 2013 an excavator bucket accidentally went into the plant and caused serious blockages requiring remedial action. In the process; the breaker plate of the primary crusher was damaged and it resulted in the crusher running at a reduced 70% capacity. The lead time to replace the breaker plate was two months and this [was] installed and rectified by the end of July 2013.
- Mine management have accumulated a ROM stockpile in anticipation of plant commissioning. During commissioning it was noted that the ROM stockpile contained coal fines in some sections greater than 40%, which reduced the plant efficiency. To mitigate the fines content and to effectively blend the ROM feedstock back to a desired blend, a section of the lower Chipanga seam was drilled and blasted to deliver more coarse coal to the plant. This blending will continue until the run of mine stockpile with the excess fines coal is depleted. The higher quality Lower Chipanga coal seam will only be fed into the plant in late August, and the yields will remain slightly below target until the correct blend of feedstock has been established.
- During June 2013, the balancing of the reflux classifier caused some issues and it was decided to install a clean water circuit to the unit with a booster pump to obtain the correct pressure. This is expected to enable the unit to run efficiently as it is critical to the recovery of fine coking coal. The benefits of this calibration will be monitored during August 2013.

The saleable product stockpiles are being monitored and verified at up to hourly intervals by the Company's new on-site laboratory operated by Bureau Veritas and by an independent surveyor. The wash plant is performing in line with our current expectations for this early phase of the commissioning and we expect Q3 2013 data to confirm the ramp up remains on track to supply sufficient volume of export coking coal for the rolling stock arrival.

The Company is now focussed on pursuing Phase 2B/2C implementation for H1 2014, subject to a number of alternatives being evaluated, to deliver the required volume (2.8 million tons ROM) that will reduce unit production costs to that of a Tier 1 global hard coking coal producer. This will ensure that the Company is above all able to remain competitive and cash generative at current coal prices.

Tender for World Class CHPP (Wash plant) Operator

In March 2013, the Company commenced a tender for an experienced CHPP operator. The Company received a number of proposals from pre-qualified firms. The preferred contractor has extensive operating experience of the fine Tete coals which will be invaluable to mine management who will continue to have overall responsibility for production.

Logistics

Rail

In February 2013, Minas Moatize entered into an Interim Rail Access Agreement with Portos e Caminhos de Ferro de Moçambique E.P. ("CFM") through which Minas Moatize Limitada ("MML") has received a capacity allocation of 0.5Mtpa on the Sena Line commencing in April 2013. The key terms of the arrangement include:

- MML granted line access by CFM for a capacity 7.7% of total capacity equating to an initial capacity of 0.5Mtpa
- In conjunction with the line access MML will pay CFM a monthly line access fee
- The Interim Rail Access Agreement will automatically renew itself each year until MML and CFM enter into a long term take or pay agreement
- MML shall initially operate two train sets each consisting of two locomotives with 42 wagons (each wagon of up to 63 tons load capacity)

Rolling Stock

In conjunction with the rail allocation, MML signed a lease agreement with Thelo in January 2013, for the provision of rolling stock on the Sena Line in Mozambique. The key terms of the agreement included:

- Thelo would lease to MML five Grindrod RL30SCC-3 'as new' locomotives for a term of 10 years;
- Thelo would also lease to MML 90 new Gondola-type coal wagons fitted with the patented Sheffield bogey system for a term of 10 years;
- MML has appointed RRL Grindrod Locomotives Proprietary Limited ("RRL Grindrod") as its rail services operator. RRL Grindrod will assume day-to-day responsibility for MML's train operations on the Sena Line. RRL Grindrod will shortly commence its implementation plan, including the mobilisation of rail operating staff.

- All conditions precedent relating to the rolling stock leasing finance were completed during the quarter including the attainment of political and commercial risk insurance from ECIC, the export agency of South Africa. The leasing transaction was completed and the payments have been released to the rolling stock manufacturers in South Africa, who are in the process of manufacturing the locomotives and wagons. The Company expects delivery of the first rolling stock in Q3/Q4 2013 and to begin transporting coal via the Sena Rail Line in during Q4 2013.

Rolling Stock Fabrication

The first inspection of locomotives (undercarriage) took place on 21 June 2013 at RRL Grindrod workshop in South Africa. The inspection was also attended by Thelo Leasing. In addition the Company made a 50% deposit for on board computers (mandatory for safety and to facilitate train control from the centralised control room) for the locomotives as per the agreement between the Company, Thelo Leasing and RRL Grindrod.

Rail Infrastructure

Since formally securing the rail allocation earlier in 2013 the Company's priority has been on the development of the associated rail infrastructure, most notably the Carbonoc transfer station in Moatize, Tete, and the Beira transfer station. The development of the Carbonac transfer station is advancing encouragingly, and the Company is currently on schedule to have the work completed in September 2013. The transfer station in Beira is currently behind schedule and the Company remains in dialogue with CFM as to interim measures that can be taken until the final siding location is approved and construction work completed.

Mining Contract

On 3 April 2013, MML, represented by Chief Executive Officer Rowan Karstel, and the Mozambican Government, represented by Her Excellency the Minister for Mineral Resources, Dra Esperanca Bias, signed a mining contract in Maputo. The initial phase of the mining contract allows the government a 5% equity stake in MML which aligns the Government's interests with that of the Company. In addition, Mozambican national interests can acquire a further 10% stake in MML at fair market price, of which: i.) 5% can be acquired at fair market price by the Mozambique Sovereign Fund, EMEM; and ii.) the Mozambique Government can exercise its option to acquire a 5% stake in MML at fair market price for the purposes of listing on the Mozambique Stock Exchange.

The signing represented a significant milestone in the process of stabilising the fiscal and legal framework of MML by providing the following advantages:

- Security of tenure through this 25 year contract and a predictable long term legal framework of investment;
- The ability to transfer the attained contractual position to third parties;
- The granting of fiscal incentives and exemption from custom duties; and
- The ability to employ sufficient skilled foreign professionals required to implement planned development and, if required, hire international contractors for the term of the contract.

Changara Coal Project

The Changara exploration licence in Mozambique, Tete Province, expired in June 2013 and the application was submitted for renewal for a further 6 years.

Arthur River Magnesite Project

Overview

Beacon Hill, through its subsidiary Tasmania Magnesite NL, holds mineral tenure over two large, high-grade magnesite deposits at Arthur River and Lyons River in north-western Tasmania, Australia.

Scoping study

Following the completion of the Scoping Study the Company has commenced further metallurgical testwork to provide further information on the metallurgical and chemical composition of the magnesite ore. It is expected that preliminary results will be available September 2013. In addition, the Company has commenced discussions with potential off-take and JV partners and these discussions are progressing well.

The Group has also commenced discussions with the Tasmanian State Government into means of improving transport logistics and power pricing for the project. The Tasmanian State Government in conjunction with the Australian Federal Government is conducting a comprehensive study into transport logistics with the report targeted for release in November 2013. The Minister for Economic Development has agreed to assist in power pricing negotiations once the Company is able to provide definitive project energy requirements.

The Company is also having discussions with the Tasmanian State Government to determine whether there are any implications for the land tenure status for our mining tenements arising from the Forest Agreement Act 2013.

Corporate

Board Changes

Cristian Ramirez and Nicholas von Bruemmer joined the Board as Non-Executive Directors and Timothy Jones resigned as Group Finance Director during the quarter with Stefanie Cronje taking over full responsibility for Group's finance function.

The Company is currently reviewing a number of expansion opportunities in Mozambique within its key focus area of steel related commodities. Further updates on those transactions, which remain subject to due diligence will be communicated to shareholders during Q3 2013 should they progress further.

Financial Results

For the six months under review, the Group generated revenue of US$1.119 million (2012 full year: US$1.071 million) from the sale of coal in Southern Africa. The Group has reported a loss of US$7.639 million (2012 full year: US$45.141 million). At 30 June 2013, the Group had total assets of US$116.160 million (2012: US$105.424 million), net assets of US$68.296 million (2012: US$56.269 million) and cash in bank of US$7.561 million (2012: US$1.977 million).

Funding

The Company raised approximately US$21 million (approximately £14.1 million) in March 2013 through a placing of 464,122,967 new ordinary shares in the Company. This placing comprised a cash portion of US$ 15 million and advance payments to contractors of US$6 million The funds raised are being used to upgrade rail infrastructure including rail sidings, to commence the Phase 2B and 2C wash plant upgrades and for rail rolling stock related and general working capital purposes. Following the capital raising the Company now has 1,578,593,484 Ordinary Shares, all of which are voting shares.

The Company is in discussions with a number of leading financial institutions with respect to arranging a pre-export senior secured debt facility and / or a mezzanine debt facility to commence its Phase 2B/2C capital expenditure (as described in the results statement).

In addition the Company has entered negotiations with a number of equipment providers to submit vendor finance proposals on a build, own, transfer ("BOT") basis to fund Phase 2B/2C wash plant upgrades. If the BOT vendor financing is completed satisfactorily this would be expected to replace the senior debt facility requirement. A decision on the funding for Phase 2B/2C is expected to be made shortly after final BOT proposals have been assessed.

Rowan Karstel

CEO: Beacon Hill Resources

ATTACHED UPDATED INCOME STATEMENT AND BALANCE SHEET

CONSOLIDATED INCOME STATEMENT

for the period ended 30 June 2013

	Note	Unaudited period ended 30-Jun-13 $'000	Unaudited period ended 30-Jun-12 $'000	Audited year ended 31-Dec-12 $'000
Revenue		1,119	388	1,071
Direct costs		(3,160)	(4,329)	(15,294)
Gross loss		**(2,041)**	**(3,941)**	**(14,223)**
Impairment of intangible assets				(20,500)
Other administrative expenses		(3,913)	(4,485)	(9,769)
Share based payment charge		(116)	(178)	(327)
Total administrative expenses		**(4,035)**	**(4,663)**	**(10,096)**
Operating Loss		**(6,076)**	**(8,604)**	**(44,819)**
Finance income – bank interest		13	7	38
Finance costs		(1,576)	(208)	(360)
Loss before taxation		**(7,639)**	**(8,805)**	**(45,141)**
Tax expense		-	-	-
Loss for the period attributable to the Equity Holders of the parent company		**(7,639)**	**(8,805)**	**(45,141)**
Loss per share attributable to equity holders of the parent company	4			
Basic and diluted		**(0.57)**	**(0.84)**	**(4.24)**

CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME

for the period ended 30 June 2013

	Unaudited period ended 30-Jun-13 $'000	Unaudited period ended 30-Jun-12 $'000	Audited year ended 31-Dec-12 $'000
Currency translation differences on overseas operations	(973)	(259)	(177)
Loss for the period	**(7,639)**	**(8,805)**	**(45,141)**
Total comprehensive loss for the period attributable to the equity holders of the parent company	**(8,612)**	**(9,064)**	**(45,318)**

CONSOLIDATED STATEMENT OF CHANGES IN EQUITY
for the period ended 30 June 2013

	Share capital	Share premium account	Merger reserve	Foreign exchange reserve	Warrant reserve	Loan note reserve	Minority acquisition reserve	EBT reserve	Retained earnings	Total equity
	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000	$'000
At 1 January 2012	5,723	126,558	29,432	2,454	75	-	(47,817)	(2,950)	(19,358)	94,117
Loss for the year	-	-	-	-	-	-	-	-	(45,141)	(45,141)
Currency translation difference on overseas operations	-	-	-	(177)	-	-	-	-	-	(177)
Total comprehensive income	-	-	-	**(177)**	-	-	-	-	**(45,141)**	**(45,318)**
Share based payments	-	-	-	-	-	-	-	-	335	335
Issue of shares	240	4,057	-	-	-	-	-	-	-	4,297
Issue of loan notes	-	-	-	-	-	2,838	-	-	-	2,838
Total Other Movements	**240**	**4,057**	-	-	-	**2,838**	-	-	**335**	**7,470**
At 1 January 2013	5,963	130,615	29,432	2,277	75	2,838	(47,817)	(2,950)	(64,164)	56,269
Loss for the period	-	-	-	-	-	-	-	-	(7,639)	(7,639)
Currency translation difference on overseas operations	-	-	-	(973)	-	-	-	-	-	(973)
Total comprehensive income	-	-	-	**(973)**	-	-	-	-	**(7,639)**	**(8,612)**
Share based payments	-	-	-	-	-	-	-	-	116	116
Issue of shares	1,761	19,370	-	-	-	-	-	-	-	21,131
Expenses of issue	-	(813)	-	-	-	-	-	-	-	(813)
Issue of loan notes	-	-	-	-	-	205	-	-	-	205
Total Other Movements	**1,761**	**18,557**	-	-	-	**205**	-	-	**116**	**20,639**
At 30 June 2013	**7,724**	**149,172**	**29,432**	**1,304**	**75**	**3,043**	**(47,817)**	**(2,950)**	**(71,687)**	**68,296**

CONSOLIDATED BALANCE SHEET

for the period ended 30 June 2013

	Note	Unaudited 30-Jun-13 $'000	Unaudited 30-Jun-12 $'000	Audited 31-Dec-12 $'000
	3			
Assets				
Non-current assets				
Intangible assets		11,947	32,416	12,328
Mineral properties		66,731	65,518	66,765
Mine works, plant and equipment		24,213	19,861	21,834
		102,891	**117,795**	**100,927**
Current assets				
Inventories		1,181	2,159	1,374
Trade and other receivables	6	7,527	1,356	1,146
Cash and cash equivalents		7,561	5,203	1,977
		16,269	**8,718**	**4,497**
Total assets		**119,160**	**126,513**	**105,424**
Liabilities				
Current liabilities				
Trade and other payables		8,957	8,408	8,610
		8,957	**8,408**	**8,610**
Non-current Liabilities				
Convertible loan notes		7,889	-	6,912
Other Loans		10,000	10,000	10,000
Provision for site rehabilitation		6,016	4,872	5,631
Deferred tax		18,002	18,002	18,002
		41,907	**32,874**	**40,545**
Total Liabilities		**50,864**	**41,282**	**49,155**
Net assets		**68,296**	**85,231**	**56,269**
Capital and reserves				
Share capital		7,723	5,723	5,963
Share premium		149,173	126,558	130,615
Merger reserve		29,432	29,432	29,432
Foreign exchange reserve		1,304	2,195	2,277
Warrant reserve		75	75	75
Loan note reserve		3,043	-	2,838
Minority acquisition reserve		(47,817)	(47,817)	(47,817)
EBT reserve		(2,950)	(2,950)	(2,950)
Retained earnings		(71,687)	(27,985)	(64,164)
Total equity		**68,296**	**85,231**	**56,269**

CONSOLIDATED CASH FLOW STATEMENT

for the period ended 30 June 2013

	Unaudited period ended 30-Jun-13 $'000	Unaudited period ended 30-Jun-12 $'000	Audited year ended 31-Dec-12 $'000
Net cash flow from operating activities			
Loss for the period	(7,639)	(8,805)	(45,141)
Depreciation and amortisation	256	485	770
Provision for Impairment	-	-	20,500
Share-based payment expense	116	178	335
Loss on disposal/Scrapping of fixed assets	28	-	1,543
Loan Note Accrecition	545	-	-
Discount charge on site rehabilitation provision	409	165	359
Accrued Interest	315	-	-
Interest received	(13)	(7)	(38)
Foreign exchange gain / (loss)	(1,265)	(250)	(281)
Movement in working capital:			
- inventory	193	2,006	2,791
- trade and other receivables	(421)	810	1,046
- trade and other payables	347	(472)	(246)
Cash flow used in operations	**(7,129)**	**(5,890)**	**(18,362)**
Cash flow from investing activities			
Additions to exploration and evaluation costs	(26)	(355)	(706)
Additions to mineral properties	-	-	-
Additions to mine works, plant and equipment	(2,408)	(5,329)	(9,532)
Interest received	13	7	38
Net cash flow from investing activities	**(2,421)**	**(5,677)**	**(10,200)**
Cash flow from financing activities			
Issue of shares	15,171	-	4,297
Share issue costs	(813)	-	-
CLN Issues	776	-	9,472
Other Loans	-	10,000	10,000
Net cash flow from financing activities	**15,134**	**10,000**	**23,769**
Net increase / (decrease) in cash and cash equivalents	5,584	(1,567)	(4,793)
Cash and cash equivalents at beginning of period	1,977	6,770	6,770
Cash and cash equivalents at end of period	**7,561**	**5,203**	**1,977**

1. Accounting policies

Basis of preparation

These condensed consolidated financial statements do not include all disclosures that would be required in a complete set of financial statements and should be read in conjunction with the 2012 Annual Report. The financial information for the half years ended 30 June 2013 and 30 June 2012 does not constitute statutory accounts within the meaning of Section 434(3) of the Companies Act 2006 and is unaudited.

The annual financial statements of the Company are prepared in accordance with IFRSs as adopted by the European Union. The comparative financial information for the year ended 31 December 2012 included within this report does not constitute the full statutory accounts for that period. The statutory Annual Report and Financial Statements for 2012 have been filed with the Registrar of Companies. The Independent Auditors' Report on that Annual Report and Financial Statements for 2012 was unqualified, did not draw attention to any matters by way of emphasis, and did not contain a statement under 498(2) or 498(3) of the Companies Act 2006.

Apart from the change reported in Note 2, the same accounting policies, presentation and methods of computation are followed in these condensed consolidated financial statements as were applied in the Group's latest annual audited financial statements. The IASB has issued a number of IFRS and IFRIC amendments or interpretations since the last annual report was published. It is not expected that any of these will have a material impact on the Group.

2. Going Concern

At 30 June 2013 the Group had US$7.6 million of cash and US$6.0 million of prepaid contractor costs. The group will need to raise further funds in the next twelve months to fund working capital and the Phase 2B / 2C expansion. The funds may be in the form of equity, convertible debt, bank debt or vendor funding. The Directors are considering a number of options and are confident that sufficient funds will be available in due course, but no formal arrangements are in place. As a consequence there is material uncertainty regarding the Group's ability to raise further additional finance, which may cast doubt over the Group's ability to continue as a going concern. Further the Group may be unable to realise its assets and discharge its liabilities in the normal course of business.

3. Functional and presentational currency

The Group financial statements are presented in US dollars, and all values are rounded to the nearest thousand dollars ('000) except where otherwise indicated.

The financial statements for the year ended 31 December 2012 were presented in pounds sterling. The directors have decided to present the financial statements for the half year ended 30 June 2013 in US dollars as it is the currency most relevant to our investors given the nature of what is currently the Group's core activity, the operation of the Minas Moatize coal mine. Coal is an internationally traded commodity with a pricing structure universally expressed in US dollars and many of the Group's costs are denominated in US dollars. The majority of the Group's borrowings are denominated in US dollars. It is therefore considered that the most appropriate presentational currency is the US dollar for the Group financial statements.

The comparative financial statements for the year ended 31 December 2012, for the half year ended 30 June 2012 and for the year ended 31 December 2011 have been restated using exchange rates for the statement of financial position of £1:US$1.6260, £1:US$1.5586 and £1:US$1.5528, being the closing rates at 31 December 2012, 30 June 2012 and 31 December 2011 respectively and for the income statement and cash flow statement of £1:US$1.5893 and £1:US$1.5569, being the average rates for the year ended 31 December 2012 and for the six months ended 30 June 2012 respectively.

Any resulting translation differences were included in the cumulative foreign exchange reserve.

4. Loss per share

The calculation of loss per ordinary share is based on a loss attributable to equity holders of the parent company of US$7,639,000 (2012: US$8,805,000) and on 1,347,472,912 (2012: 1,051,442,137) ordinary shares, being the weighted average number of ordinary shares in issue during the period.

5. Dividends

The directors do not recommend the payment of a dividend.

6. Trade and other receivables

Included within other receivables is US$ 6 million of prepaid contractor costs. As part of the March 2013 share placing two major contractors subscribed for shares at the placing price in relation to services to be performed.

INDEPENDENT REVIEW REPORT TO BEACON HILL RESOURCES PLC

Introduction

We have been engaged by the company to review the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2013 which comprises the consolidated income statements, the consolidated statement of comprehensive income, the consolidated statement of changes in equity, the consolidated balance sheet, the consolidated cash flow statement and the related notes.

We have read the other information contained in the half-yearly financial report and considered whether it contains any apparent misstatements or material inconsistencies with the information in the condensed set of financial statements.

Directors' responsibilities

The interim report, including the financial information contained therein, is the responsibility of and has been approved by the directors. The directors are responsible for preparing the interim report in accordance with the rules of the London Stock Exchange for companies trading securities on AIM and of the Australian Securities Exchange which require that the half-yearly report be presented and prepared in a form consistent with that which will be adopted in the company's annual accounts having regard to the accounting standards applicable to such annual accounts.

Our responsibility

Our responsibility is to express to the company a conclusion on the condensed set of financial statements in the half-yearly financial report based on our review.

Our report has been prepared in accordance with the terms of our engagement to assist the company in meeting the requirements of the rules of the London Stock Exchange for companies trading securities on AIM and of the Australian Securities Exchange and for no other purpose. No person is entitled to rely on this report unless such a person is a person entitled to rely upon this report by virtue of and for the purpose of our terms of engagement or has been expressly authorised to do so by our prior written consent. Save as above, we do not accept responsibility for this report to any other person or for any other purpose and we hereby expressly disclaim any and all such liability

Scope of review

We conducted our review in accordance with International Standard on Review Engagements (UK and Ireland) 2410, "Review of Interim Financial Information Performed by the Independent Auditor of the Entity", issued by the Auditing Practices Board for use in the United Kingdom. A review of interim financial information consists of making enquiries, primarily of persons responsible for financial and accounting matters, and applying analytical and other review procedures. A review is substantially less in scope than an audit conducted in accordance with International Standards on Auditing (UK and Ireland) and consequently does not enable us to obtain assurance that we would become aware of all significant matters that might be identified in an audit. Accordingly, we do not express an audit opinion.

Emphasis of matter – Going concern.

In forming our opinion on the financial statements, which is not modified, we have considered the adequacy of the disclosure made in Note 2 to the financial statements concerning the Company's ability to continue as a going concern. Further funds will be required to finance the Company's planned work programme. While the Directors are confident of being able to acquire the finance necessary to meet both capital and administrative obligation and liabilities as they fall due, a significant uncertainty exists given that sufficient facilities are not currently in place.

These conditions indicate the existence of a material uncertainty which may cast significant doubt about the Company's ability to continue as a going concern. The financial statements do not include the adjustments that would result if the Company was unable to continue as a going concern.

Conclusion

Based on our review, nothing has come to our attention that causes us to believe that the condensed set of financial statements in the half-yearly financial report for the six months ended 30 June 2013 is not prepared, in all material respects, in accordance with the rules of the London Stock Exchange for companies trading securities on AIM and the Australian Securities Exchange.

BDO LLP
Chartered Accountants and Registered Auditors
London
United Kingdom
29 August 2013

BDO LLP is a limited liability partnership registered in England and Wales (with registered number OC305127).

COMPETENT PERSONS STATEMENT

The Competent Person for reporting of coal resources, Peet Meyer of PC Meyer Consulting Pty Limited, who is a member of the Geological Society of South Africa (GSSA) and the Fossil Fuel Foundation. Peet Meyer has more than 21 years' experience in the southern African coal industry of which he has spent more than 5 years in the Mozambique Coalfields. He has the appropriate relevant qualifications and experience to be considered as a Competent Person as defined in the Standards on Mineral Resources and Reserves – Definitions and Guidelines (2004).

The Competent Person for reporting of coal reserves, Mr. Simon Griffiths, who is a Member of The Australian Institute of Mining and Metallurgy (AusIMM) and Society for Mining, Metallurgy, and Exploration, Inc. (SME) has sufficient experience which is relevant to the style and mineralisation and type of deposit under consideration and the activity to which he is undertaking 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'.

The Coal Resources and Reserves are reported in compliance with the guidance as defined in Appendix 5A of the ASX Listing Rules being the Australasian Code for Reporting Exploration Results, Mineral Resources and Ore Reserves (the JORC Code), 2004 Edition.

Mr Meyer and Mr Griffiths have consented to being named as the authors of the Resource and Reserve Statements respectively in this announcement.

FORWARD LOOKING STATEMENTS

Certain statements made during or in connection with the communication, including, without limitation, those concerning the economic outlook for the coal mining industry, expectations regarding coal prices, production, cash costs and other operating results, growth prospects and the outlook of Beacon Hill operations, its liquidity and the capital resources and expenditure, contain or comprise certain forward-looking statements regarding Company's development and exploration operations, economic performance and financial condition.

Although the Company believes that the expectations reflected in such forward-looking statements are reasonable, no assurance can be given that such expectations will prove to have been correct. Accordingly, results could differ materially from those set out in the forward-looking statements as a result of, among other factors, changes in economic and market conditions, success of business and operating initiatives, changes is the regulatory environment and other government actions, fluctuations in coal prices and exchange rates and business and operational risk management. For a discussion of such factors, refer to the Company's most recent annual report and half year report. The Company undertakes no obligation to update publicly or release any revisions to these forward-looking statements to reflect events or circumstances after today's date or to reflect the occurrence of unanticipated events.

Appendix 4D
Half Year Report

Beacon Hill Resources PLC and Controlled Entities

Company number: 5596580

ARBN: 154 993 389

Half Year ended 30 June 2013

Results for announcement to the market

	Half Year 30 June 2013 USD' 000	Half Year 30 June 2012 USD' 000		Percentage Change
Revenue from Ordinary Activities	1,119	388	Up	188.40%
Loss from ordinary activities before tax	(7,639)	(8,805)	Down	13.24%
Income tax expense				
Loss after income tax	(7,639)	(8,805)	Down	13.24%
Loss attributable to members	(7,639)	(8,805)	Down	13.24%

Dividends	Amount per Security	Franked amount per security
Final Dividend	Nil	Nil

Dividends	Half Year 30 June 2013	Half Year 30 June 2012
Dividends Paid	Nil	Nil

	Half Year 30 June 2013	Half Year 30 June 2012
Net Tangible Assets (NTA) Backing	US$ c	US$ c
NTA per ordinary share (USD cents)	5.07	4.99

This report should be read in conjunction with the attached financial statements for the period ended 30 June 2013.

The Financial Statements upon which this report have been reviewed and the Auditors Independent Review Report for the six months ended 30 June 2013 in included in the attached half year report.

These Financial Statements have been prepared in conformity with International Financial Reporting Standards.