

20 November 2013

Beacon Hill Resources Plc / AIM: BHR / ASX: BHU / Sector: Mining

## **Beacon Hill Resources Plc ('Beacon Hill or 'the Company')**

### **Rail Logistics Update**

Beacon Hill Resources plc, the AIM and ASX listed coal producer, is pleased to announce an update on rail logistics at its flagship asset, the Minas Moatize Coal Mine in Tete, Mozambique.

- Arrival of maiden test train to trial the Tete coal loading facility
- Five new 2,240 kW diesel locomotives on track to be completed by the end of November 2013 at RRLGrindrod's workshop
- 90 Transnet Engineering rail wagons expected to arrive by the end of January 2014 in the port of Beira, Mozambique
- Beira off-loading facility pre-conditions complete with final Simplified Environmental Report to be submitted by the end of November 2013

#### **Rowan Karstel, Chief Executive Officer of Beacon Hill commented:**

"We are very pleased with the strong progress made towards final commissioning of our rail logistics solution in Tete and look forward to the positive cost implications incurred following completion. Our current focus for Minas Moatize is to build the mine to become a Tier 1 coking coal asset and this will represent an important milestone towards this goal. We look forward to updating the market regarding both our logistics and wash plant upgrades in the coming months."

#### **Mac van der Merwe, Rail Operations Manager commented:**

*"The first test train has now arrived into the newly built Tete siding to undertake a test loading of coal. The locomotives carried 42 rail wagons and loaded 2,600 tonnes of coal under test conditions. This trial exercise was carried out in conjunction with our JV Partner JPSL. This commissioning is a major milestone for the Company whilst we wait for first delivery of our own rolling stock which is due at the end of this month. Beacon Hill's train drivers are now fully accredited to operate in Mozambique and are on the ground and ready to begin our logistics operations for the Company and third parties."*

#### **Tete loading facility (Carbonoc) Update**

Beacon Hill, in conjunction with JPSL, its JV partner in the Tete loading facility, has undertaken its first test of the first train into the new purpose built facility. The diesel locomotive arrived to collect 2,600 tonnes of coal and loaded the maiden cargo from the facility. Work on the site is continuing with the aim to have a fully operational facility in place by the end of Q1 2014. The facility has been under development during 2013 and covers a total stockpile area of 7 hectares for a capital expenditure of circa US\$6 million. The facility has two rail lines and dedicated stockpile areas for Beacon Hill and JPSL.

#### **Beira off-loading facility (Warehouse No 4) Update**

The Company has notified Portos e Caminhos de Mocambique ('CFM') that all permitting requirements for the development of the facility have been completed and the remaining Simplified Environment Report will be completed by the end of November 2013. Thereafter the Company intends to commence construction activity on the site.

### **Rolling Stock Inspections**

The Company has recently visited both the RRLGrindrod and the Transnet Engineering workshops to inspect the new rolling stock being manufactured. The locomotives are expected to be delivered at the end of November 2013. The final installation of on-board computers will allow the fleet to go immediately on rail and communicate with the train operations centre in Beira. The train drivers, crews and support personnel required for the running of the trains have been trained by RRLGrindrod and completed the CFM accreditation process during August 2013.

**\*\*ENDS\*\***

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