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March 12, 2002

### **Sale of Coal Inventory**

HILLSBOROUGH RESOURCES LIMITED (TSE: HLB) is pleased to announce the successful conclusion of negotiations for the sale of a further 120,000 MT of Quinsam quality, super-compliant thermal coal to AMCI of Pittsburgh, PA. The coal will be delivered in two Panamax shipments of approximately 60,000 MT each during the second half of 2002.

David J. Slater, President & CEO said, "This sale, and the sale that preceded it, effectively sells out Quinsam's planned 2002 production, as well as its brought forward 2001 inventory position. We are also in negotiations for shipments in 2003 which, if completed, will require an increase in Quinsam's current production rate. In addition to participating in the ship-borne cargo market, the company is making a concerted marketing effort to the domestic market, and is currently working on a number of interesting prospects within barge range of Quinsam's Middle Point barge-loading facility."

Hillsborough also announces that the Elk Falls (Campbell River) Pulp Mill trial burn will commence on March 13, 2002.

Hillsborough Resources Limited owns Quinsam Coal Corporation which operates the Quinsam coal mine near Campbell River, B.C. Quinsam supplies high quality coal to customers mainly on the west coast of North America.

For further information, please contact:

### **HILLSBOROUGH RESOURCES LIMITED**

*"David Slater"*

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David Slater  
President & CEO  
Telephone: (604) 684-9288  
Fax: (604) 684-3178

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The Toronto Stock Exchange has not reviewed and does not accept responsibility for the adequacy or accuracy of this release.

QUINSAM COAL CORPORATION  
PRODUCTION STATEMENT - JANUARY 2000 - DECEMBER 2000

	RAW COAL PRODUCTION					COAL PREPARATION PLANT															BARGED TO TEXADA	BARGED TO ROBERTS BANK	BARGED TO CUSTOMER	MIDLINGS BARGED TO LaFARGE	SHIPPED FROM TEXADA/ ROBERTS BANK		
	RAW COAL					RAW COAL FEED					CLEAN COAL PRODUCTION					YIELD %											
	U/G 3N	O/S 4 S	U/G 242	U/G 4 South	TOTAL	U/G 2N	O/S 4 S	U/G 242	U/G 4 South	TOTAL	U/G 2N	O/S 4 S	U/G 242	U/G 4 South	TOTAL	U/G 2N	O/S 4 S	U/G 242	U/G 4 South	TOTAL							
JAN	26,455				26,455	27,696				27,696	20,734				20,734	74.86%				74.86%				18,317			
FEB	26,261				26,261	26,188				26,188	19,522				19,522	74.55%				74.55%				12,878			
MAR	29,576				29,576	29,775				29,775	22,130				22,130	74.32%				74.32%				5,424			
APR	24,510				24,510	24,123				24,123	18,011				18,011	74.66%				74.66%				18,148			
MAY	28,132				28,132	28,666				28,666	21,151				21,151	73.78%				73.78%				27,008			
JUN	28,075				28,075	28,075				28,075	20,915				20,915	74.50%				74.50%				17,151			
JUL	25,589				25,589	25,589				25,589	19,064				19,064	74.50%				74.50%				22,392			
AUG	26,655				26,655	26,655				26,655	19,940				19,940	74.81%				74.81%				21,720			
SEP	24,176				24,176	24,176				24,176	18,014				18,014	74.51%				74.51%				15,028			
OCT	27,411				27,411	27,411				27,411	19,037				19,037	69.45%				69.45%				24,873			
NOV	32,411				32,411	32,411				32,411	19,011				19,011	58.66%				58.66%				10,464			
DEC	26,461				26,461	29,381				29,381	19,007				19,007	64.69%				64.69%				24,981			
	325,712	0		0	325,712	330,146	0		0	330,146	236,536	0		0	236,536	71.65%				71.65%			0	0	218,384	0	0

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QUINSAM COAL CORPORATION  
 PRODUCTION STATEMENT - JANUARY 2001 - DECEMBER 2001

	RAW COAL PRODUCTION					COAL PREPARATION PLANT																					
	RAW COAL					RAW COAL FEED					CLEAN COAL PRODUCTION					YIELD %					BARGED TO TEXADA	BARGED TO ROBERTS BANK	BARGED TO CUSTOMER	MIDDINGS BARGED TO LaFARGE	SHIPPED FROM TEXADA/ ROBERTS BANK		
	U/G 3N	O/S 4 S	U/G 242	U/G 4 South	TOTAL	U/G 3N	O/S 4 S	U/G 242	U/G 4 South	TOTAL	U/G 3N	O/S 4 S	U/G 242	U/G 4 South	TOTAL	U/G 3N	O/S 4 S	U/G 242	U/G 4 South	TOTAL							
JAN	38,304				38,304	40,984				40,984	28,711				28,711	70.05%				70.05%					16,529		
FEB	36,852				36,852	36,612				36,612	26,456				26,456	72.26%				72.26%					28,124		
MAR	39,386				39,386	37,561				37,561	28,261				28,261	69.92%				69.92%					18,331		
APR	35,190				35,190	34,237				34,237	25,102				25,102	73.32%				73.32%					19,582		
MAY	35,780				35,780	38,769				38,769	26,752				26,752	69.00%				69.00%					15,710		
JUN	37,320				37,320	37,323				37,323	25,765				25,765	69.03%				69.03%					29,483		
JUL	41,010				41,010	41,016				41,016	24,768				24,768	60.39%				60.39%					24,263		
AUG	47,080				47,080	47,051				47,051	26,054				26,054	55.37%				55.37%					12,898		
SEP	43,290				43,290	43,312				43,312	24,272				24,272	56.04%				56.04%					10,812		
OCT	45,135				45,135	45,139				45,139	28,772				28,772	63.74%				63.74%					18,776		
NOV	38,570				38,570	35,779				35,779	25,225				25,225	70.50%				70.50%					18,234		
DEC	36,430				36,430	39,222				39,222	26,345				26,345	67.17%				67.17%					5,234		
	474,327	0		0	474,327	477,005	0		0	477,005	314,483	0		0	314,483	65.93%				65.93%				0	0	217,974	0

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QUINSAM COAL CORPORATION  
 PRODUCTION STATEMENT - JANUARY 2002 - DECEMBER 2002

	RAW COAL PRODUCTION					COAL PREPARATION PLANT																			
	RAW COAL					RAW COAL FEED					CLEAN COAL PRODUCTION					YIELD %					BARGED TO ROBERTS BANK				
	U/G 3N	O/S 4S	U/G 242	U/G 4 South	TOTAL	U/G 3N	O/S 4S	U/G 242	U/G 4 South	TOTAL	U/G 3N	O/S 4S	U/G 242	U/G 4 South	TOTAL	U/G 3N	O/S 4S	U/G 242	U/G 4 South	TOTAL	BARGED TO TEXADA	BARGED TO ROBERTS BANK	BARGED TO CUSTOMER	MIDLINGS BARGED TO LaFARGE	SHIPPED FROM TEXADA/ ROBERTS BANK
JAN	44,580				44,580	43,407				43,407	29,000				29,000	66.81%				66.81%	0			13,423	
FEB	44,030				44,030	45,203				45,203	29,123				29,123	64.43%				64.43%	29,936			10,138	
MAR	43,595				43,595	43,597				43,597	26,599				26,599	61.01%				61.01%	10,760			19,030	
APR	45,220				45,220	45,032				45,032	25,334				25,334	56.26%				56.26%	42,364			12,834	
MAY	48,521				48,521	48,709				48,709	29,497				29,497	60.56%				60.56%	19,199			24,157	71,157
JUN	40,390				40,390	40,381				40,381	24,847				24,847	61.53%				61.53%	0			22,506	
JUL	45,380				45,380	42,570				42,570	27,013				27,013	63.46%				63.46%	9,262			22,072	
AUG	43,710				43,710	45,182				45,182	29,304				29,304	64.86%				64.86%	4,650			17,609	
SEP	42,210				42,210	41,515				41,515	25,022				25,022	60.27%				60.27%	9,199			21,392	
OCT	44,470				44,470	46,272				46,272	26,001				26,001	56.19%				56.19%	14,388			17,656	
NOV	39,420				39,420	39,017				39,017	23,892				23,892	61.23%				61.23%	10,702			23,989	
DEC	37,870				37,870	37,810				37,810	24,102				24,102	63.75%				63.75%	1,279			15,001	
ADJUSTMENT SURVEY CPP											21,698				21,698										
	519,396	0	0	0	519,396	518,695	0	0	0	518,695	341,432	0	0	0	341,432	65.83%				65.83%	151,759	0	219,807	0	71,157

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The in-situ reserves calculated by Hillsborough as of January 1, ~~1998~~<sup>1999</sup> are set out in the following chart.

**QUINSAM COAL CORPORATION - QUINSAM MINE**  
**IN-SITU RESERVES as of JANUARY 1, ~~1998~~ 1999**  
 Millions tonnes

Mine Area	Measured (Proven)	Indicated (Probable)	(Proven & Probable)
2N	4.254 - 786,354 = <u>3.467</u>	1.786	5.253
3N	6.574	2.177	8.751
4 South, 242	8.039 - 189,665 = <u>7.899</u>	2.434	10.333
7 South	3.490	1.390	4.880
5 South	1.529	0.346	1.875
6 South	2.037	0.302	2.339
<b>TOTAL QUINSAM</b>	<del>25.923</del> 24.996	8.435	<del>34.368</del> 33.431

Coal Transportation and Storage

\* AS OF NOV. 01. 2001

2N	3.467	1.786	5.253
3N	5.848	2.177	8.025
4S/242	7.899	2.434	10.333
7S	3.490	1.390	4.880
5S	1.529	0.346	1.875
6S	2.037	0.302	2.339
	<u>24.270</u>	8.435	32.705

\* RESERVES AS OF NOV. 01. 2001

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P.O. Box 5000  
Campbell River, B.C.  
V9W 5C5

Business: 250-286-3224  
Fax: 250-286-9727

**QUINSAM COAL CORPORATION**

**FAX MESSAGE - from (250) 286-9727**

COMPANY: MEM DATE: 10/25/01  
ATTENTION: JACQUE H FAX #: \_\_\_\_\_  
FROM: KRESHO #OF PAGES: 2  
(incl. cover sheet)

Jacque,

\* Enclosed is our production 2001 up to  
SEPTEMBER 354,912 tones raw coal → <sup>2001 m.</sup> 475,000 ✓

\* DRILL PROGRAM AT QUINSAM:  
12h, 2,323 meters drilled at Quinsam Mine site  
Expenditure: \$325,000 /

\* T'SABIE RIVER PROJECT BULK SAMPLE (2002)  
Expenditure budgeted for some \$5,000,000  
with BULK SAMPLE AND DRILLING INCLUSIVE  
(Not drilled yet at T'SABIE THIS YEAR)

Regards

[Signature]

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QUINSAM COAL CORPORATION  
 PRODUCTION STATEMENT - JANUARY 2001 - DECEMBER 2001

	RAW COAL PRODUCTION					COAL PREPARATION PLANT										BARGE/SHIPMENT													
	RAW COAL					RAW COAL FEED					CLEAN COAL PRODUCTION					YIELD					BARGED TO TEXADA	BARGED TO ROBERTS BANK	BARGED TO CUSTOMER	MIDDINGS BARGED TO L&FARGE	SHIPPED FROM TEXADA/ROBERTS BANK				
	U/G 3N	O/S 4 S	U/G 242	U/G 4 South	TOTAL	U/G 3N	O/S 4 S	U/G 242	U/G 4 South	TOTAL	U/G 3N	O/S 4 S	U/G 242	U/G 4 South	TOTAL	U/G 3N	O/S 4 S	% 242	U/G 4 South	TOTAL									
JAN	38,304				38,304	40,984				40,984	28,711				28,711	70.05%				70.05%						16,529			
FEB	35,852				36,852	35,812				35,812	26,456				26,456	72.26%				72.26%						28,124			
MAR	39,366				39,366	37,561				37,561	26,261				26,261	69.92%				69.92%						18,331			
APR	35,190				35,190	34,237				34,237	25,102				25,102	73.32%				73.32%						19,592			
MAY	35,780				35,780	38,769				38,769	26,752				26,752	69.00%				69.00%						15,710			
JUN	37,320				37,320	37,323				37,323	25,765				25,765	69.03%				69.03%						29,483			
JUL	41,010				41,010	41,016				41,016	24,768				24,768	60.39%				60.39%						24,263			
AUG	47,080				47,080	47,051				47,051	26,054				26,054	55.37%				55.37%						12,896			
SEP	43,290				43,290	43,312				43,312	24,272				24,272	56.04%				56.04%						10,812			
OCT					0					0					0	ERR				ERR									
NOV					0					0					0	ERR				ERR									
DEC					0					0					0	ERR				ERR									
	354,192	0		0	354,192	356,865	0		0	356,865	234,141	0		0	234,141	65.61%				65.61%					0	0	175,730	0	0

QUINSAM/2/Engineering/Yes-To-Data/Usecd1.123

The in-situ reserves calculated by Hillsborough as of January 1, ~~1998~~<sup>1999</sup> are set out in the following chart.

**QUINSAM COAL CORPORATION - QUINSAM MINE**  
**IN-SITU RESERVES as of JANUARY 1, ~~1998~~ 1999**  
Millions tonnes

Mine Area	Measured (Proven)	Indicated (Probable)	(Proven & Probable)
2N	4.254 - 786,359 = <u>3.467</u>	1.786	<del>6.040</del> 5253
3N	6.574	2.177	8.751
4 South, 242	8.039 - 139,665 = <u>7.899</u>	2.434	<del>10.473</del> 10333
7 South	3.490	1.390	4.880
5 South	1.529	0.346	1.875
6 South	2.037	0.302	2.339
<b>TOTAL QUINSAM</b>	<b><del>25.923</del> 24,996</b>	<b>8.435</b>	<b><del>34.358</del> 33,431</b>

Coal Transportation and Ship Loading

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October 4, 2001

### Hillsborough Announces Discovery of Additional Coal Reserves at Quinsam

Hillsborough Resources Limited (TSE: HLB) announced today the discovery of additional reserves of low sulphur coal contiguous to the existing Quinsam mine in Campbell River, B.C.

The discovery is the result of a drill program at Quinsam consisting of ten drill holes to date. The area of focus is a rectangular block measuring approximately 1 kilometre wide by 1.6 kilometres long, to the south-east of the 2N Mining Area but separated from it by the valley of the Quinsam River. This area is termed "the 7-South Area".

The ten testholes were installed in the 7-South area on a drill spacing of 250 to 400 metres. The testholes have intersected an extension of the No. 1 (super compliant low sulphur) Coal Seam which was previously thought to be truncated by a basement topographic high.

This significant finding demonstrates that additional resource potential exists in the immediate vicinity of the operating Quinsam Mine. The investment by the Company in the drill program reflects Hillsborough's on-going commitment to replace coal reserves that are mined.

The table below summarizes the recent findings in the 7-South Area:

Hole No.	No. 3 SEAM		No. 1 SEAM		Total Depth
	Depth (m)	Thickness	Depth (m)	Thickness	
QU0106	44.55	3.54	105.30	1.75	114.00
QU0107	28.00	3.62	72.39	2.16	84.00
QU0108	41.22	3.78	69.4	(faulted)	75.50
QU0109	90.69	Not Mineable	148.90	1.92	155.20
QU0110	100.42	Not Mineable	155.87	2.15	164.28
QU0111	59.66	Not Mineable	115.60	2.22	124.89
QU0112	-	-	95.34	2.37	102.18
QU0113	114.55	1.69	163.50	1.60	173.20

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An additional five (5) holes are planned for drilling over the next few weeks, and crews will continue exploration in the 7-South area. Upon completion of the program, in-situ measured and indicated coal reserves for both the No. 1 Coal Seam and the No. 3 Coal Seam will be calculated and announced when available.

David J. Slater, President & CEO of Hillsborough stated, "We are very pleased with the results of our latest drilling program. The drilling result confirms that the coal seam located in the open area between the 2-North and 7-South mines is a continuation of the seam currently being mined in 2-North. Of further importance are the indicated nearly horizontal mining conditions of this area which are conducive to other mining methods, such as short wall mining, which is more efficient than the room and pillar method currently in use at the Quinsam mine."