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George Cross News Letter

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HILLSBOROUGH RESOURCES LTD.

[HLB-T] 17,321,368 SHS.

NINE MONTHS ENDED SEPTEMBER 30, 2000		
	2000	1999
SALES REVENUE	\$8,100,000	\$12,400,000
CONS. NET EARNINGS (LOSS)	2,467,193	(2,621,353)
EARNINGS (LOSS) PER SHARE	14¢	(15¢)
INCOME FROM OPERATIONS	1,989,943	1,346,773
CLEAN COAL PROD.-TONNES	179,000	303,000
CLEAN COAL SALES-TONNES	179,000	299,000

NINE-MONTH REPORT - David Slater, president, Hillsborough Resources Ltd., reports the consolidated financial results for the nine months ended 30Sept2000. The third quarter of 2000 was a pivotal one in your company's history. During the quarter two major lawsuits were settled in Hillsborough's favour with cash settlements amounting to over \$1,600,000. Together with other funds generated from an earlier sale of CANABRAYA DIAMOND CORP. [CNB-CDNX] shares, this enabled Hillsborough and subsidiary Quinsam Coal to come to terms with its major creditors and thus come out of bankruptcy protection on 5Oct2000.

Net income for the quarter was \$448,696 or 2¢ per share on revenues of \$2,600,000. Production in the third quarter of 2000 was off-target by 3,000 tonnes, most of this occurring in September, when a high incidence of equipment breakdown was experienced. The problem has now been addressed and the mine, located near Campbell River, Vancouver Island, BC, is back on its targeted production track.

The substantial increase in oil and gas prices has started to have an impact on the demand for coal. World market spot prices are up to US \$28 from a low of US \$20/tonne at the beginning of the year. As well, industrial users of oil and gas are starting the move towards converting to coal. Quinsam has received an order for a 30-day test burn that could result in a new contract for some 25,000 tonnes annually. (SEE GCNL NO.194, 11Oct2000, P.8 FOR PREVIOUS CORPORATE INFORMATION)

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