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# George Cross News Letter

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## HILLSBOROUGH RESOURCES LTD.

[HLB-T] 17,321,368 SHS

COAL MINE SHUT DOWN - David Slater, president, reports Hillsborough Resources Ltd. has applied to the Supreme Court of British Columbia for a protective order under the companies' Creditors Arrangement Act. The Court order names Arthur Andersen Inc. as the Court appointed monitor of the company's affairs pending the development of a restructuring plan.

Hillsborough's 63% owned subsidiary Quinsam Coal Corporation obtained a similar Court order 14May99. Quinsam has been unable to arrange funding to enable mining operations to continue and ceased operations May 20 at the Quinsam Coal Mine near Campbell River, Vancouver Island, BC until further notice. In the meantime, efforts to develop a restructuring plan will continue. About 120 employees were laid off.

Mr. Slater said, "The two companies, Hillsborough and Quinsam, are facing many of the same issues and there are some common creditors. Our directors and outside advisors considered it was likely that a restructuring plan would eventually have to involve both companies."

In addition, Hillsborough has received the resignation of Mr. E. Cohen as a director. (SEE GCNL NO.95, 18May99, P.3 FOR PREVIOUS RELATED INFORMATION)

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