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George Cross News Letter

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HILLSBOROUGH RESOURCES LTD. [HLB-T]

FUNDING FOR QUINSAM COAL - President George Voro has MINE EXPANSION ARRANGED reported Hillsborough Resources Ltd. has entered a guaranteed agency agreement with Sprott Securities Ltd. of 2,400,000 special warrants at \$1.95 for gross proceeds of \$4,700,000. Closing is expected August 10, 1995. Each special warrant will entitle the purchaser to acquire, at no additional cost, one common share. Hillsborough intends to file a preliminary prospectus to qualify the shares.

Additionally, the company expects to qualify under its preliminary prospectus the issuance of up to a further 2,600,000 common and or flow-through common shares. The share offering would be expected to be completed within 3 months.

As part of the Quinsam mine expansion program from 600,000 tonnes to 1,200,000 tonnes of annual production of clean coal. the constructing of the coal preparation plant has started and erection of the steel and the placement of processing equipment is underway. The first section of underground mining equipment required for increased production is expected to be on site by the end of July 1995.

The company expects the final engineering design for the port facility and road upgrade to the Quinsam mine to be completed by the end of July, followed by tendering and construction.

Hillsborough Resources is a mining corporation which manages and owns 63% of Quinsam Coal Corporation, located near Campbell River, Vancouver Island, B.C. and owns Canadian Mine Development, a mine engineering, contracting and operating company.

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