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George Cross News Letter

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NO. 166 (1996)
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HILLSBOROUGH RESOURCES LTD.

[HLB-T] 9,696,818 SHS.

COAL RESERVES REPORTED - George Voro, president, Hillsborough Resources Ltd., reports its 63%-owned Quinsam Coal Corp. is continuing drilling on its T'Sable River Project, south of Courtenay, central Vancouver Island, BC. Marubeni Corp. owns the remaining 37% interest in Quinsam Coal. To 15Aug96, the new drilling has resulted in 13,355,000 tonnes being added to measured and indicated reserves and 1,171,000 tonnes to inferred reserves.

Total in-situ reserves at August 15, 1996 are:

MEASURED AND INDICATED	23,316,000 TONNES
INFERRED SOUTH OF T'SABLE RIVER	1,171,000 TONNES
INFERRED NORTH OF T'SABLE RIVER	7,875,000 TONNES
TOTAL ALL CATEGORIES	32,362,000 TONNES

Quinsam expects to continue the drill program and to upgrade the inferred reserves into the measured and indicated proven and probable category with the target to reach a minimum of 30,000,000 tonnes of measured and indicated reserves. The expenditures to date are \$450,000 or 3¢ per tonne coal added to reserves. (SEE GCNL NO.131, 8Jul96, P.4 FOR PREVIOUS QUINSAM COAL PROJECT INFORMATION)

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