

HILLCREST RESOURCES LIMITED

AFIN 83 060 004 742

QUARTERLY REPORT
March 2003

PHONE: 08 9324 3266
FAX: 08 9324 3277
WEB PAGE: www.hillcrestresources.com.au

Environmental Infrastructure Limited (ASX Code: EIL)

The Company owns 5,010,000 shares comprising approximately 4% of the issued capital of Environmental Infrastructure Limited (EIL) which is listed on the ASX.

EIL is positioning itself in the renewable energy sector in Australia commencing with a 90% interest in an anaerobic digester waste to energy facility under construction in New South Wales. The project is located in Camellia near Parramatta in western Sydney and has a capital cost in excess of \$36 million. EPT, being a 90% owned subsidiary of EIL, has a lease over the project site for 20 years with a 10-year option.

The facility is designed to be a substitute for landfill for food and other organic wastes and is seen as a cost effective and environmentally acceptable alternative to landfill. The NSW Government has a stated policy of reducing landfill availability and increasing the costs to dump to landfill. The plant processes the waste by anaerobic digestion. This process simulates the natural breakdown of organic material at an increased rate in a controlled environment. The gas produced by the process is then used to operate a co-generation unit which produces energy.

The plant is expected to generate up to 3.2 megawatts of energy per annum and will also be eligible to sell Renewable Energy Certificates (REC's). Organic fertiliser is also produced from the process.

The construction of the facility was substantially completed in February 2003 with the official opening held on 25 February 2003. The plant presently is in the commissioning phase and it is expected to become fully operational in the second quarter of 2003.

Hallmark Consolidated Limited (ASX Code: HLM)

The Company owns 1,555,000 shares in Hallmark Consolidated Limited and has a relevant interest in approximately 9.11% of the issued capital of Hallmark. Hallmark is listed on the ASX and has an interest in gold tenements located in the South Murchison region of Western Australia.

Exploration - Warroo, Queensland

The Company has received an expression of interest from a party interested in acquiring or entering into a joint venture in respect of the mining tenements located at Warroo, Queensland which are held by Cuprifex Mining Limited, a wholly owned subsidiary of Hillcrest. Negotiations will be pursued and discussions will also continue with the Department of Mines and Energy, Queensland as to the nature of any rehabilitation work required to be carried out at Warroo.

Future Activities

The Directors are actively pursuing and reviewing potential acquisitions and new investment opportunities for the Company.

HILLCREST RESOURCES LIMITED

A handwritten signature in black ink, appearing to read "Alan Van Noort". The signature is written in a cursive, flowing style.

ALAN VAN NOORT
Chairman

29 April 2003

Appendix 5B**Mining exploration entity quarterly report**

Introduced 1/7/96. Origin: Appendix 8. Amended 1/7/97, 1/7/98.

Name of entity

HILLCREST RESOURCES LIMITED

ACN or ARBN

060 094 742

Quarter ended ("current quarter")

31 March 2003

Consolidated statement of cash flows

	Current quarter \$A'000	Year to date 9 months \$A'000
Cash flows related to operating activities		
1.1 Receipts from product sales and related debtors	---	---
1.2 Payments for (a) exploration and evaluation	(0)	(1)
(b) development	---	---
(c) production	---	---
(d) administration	(96)	(236)
(e) evaluation of business opportunities	(34)	(104)
1.3 Royalties received	---	---
1.4 Interest and other items of a similar nature received	6	32
1.5 Interest and other costs of finance paid	---	---
1.6 Income taxes paid	---	---
1.7 Other	---	---
Net Operating Cash Flows	(124)	(309)
Cash flows related to investing activities		
1.8 Payment for purchases of: (a) prospects	---	---
(b) equity investments	(106)	(258)
(c) other fixed assets	(6)	(21)
1.9 Proceeds from sale of: (a) prospects	---	---
(b) equity investments	---	1
(c) other fixed assets	11	11
1.10 Loans to other entities	---	---
1.11 Loans repaid by other entities	---	---
1.12 Other (provide details if material)	---	---
Net investing cash flows	(101)	(267)
1.13 Total operating and investing cash flows (carried forward)	(225)	(576)

1.13	Total operating and investing cash flows (brought forward)	(225)	(576)
Cash flows related to financing activities			
1.14	Proceeds from issues of shares, options, etc.	---	---
1.15	Proceeds from sale of forfeited shares	---	---
1.16	Proceeds from borrowings	---	---
1.17	Repayment of borrowings	---	---
1.18	Dividends paid	---	---
1.19	Other	---	---
Net financing cash flows		---	---
Net increase (decrease) in cash held		(225)	(576)
1.20	Cash at beginning of quarter/year to date	622	973
1.21	Exchange rate adjustments to item 1.20	---	---
1.22	Cash at end of quarter	397	397

Payments to directors of the entity and associates of the directors

Payments to related entities of the entity and associates of the related entities

		Current quarter \$A'000
1.23	Aggregate amount of payments to the parties included in item 1.2	67
1.24	Aggregate amount of loans to the parties included in item 1.10	---

1.25 Explanation necessary for an understanding of the transactions

NIL

Non-cash financing and investing activities

2.1 Details of financing and investing transactions which have had a material effect on consolidated assets and liabilities but did not involve cash flows

NIL

2.2 Details of outlays made by other entities to establish or increase their share in projects in which the reporting entity has an interest

NIL

Financing facilities available

Add notes as necessary for an understanding of the position.

	Amount available \$A'000	Amount used \$A'000
3.1 Loan facilities	–	–
3.2 Credit standby arrangements	–	–

Estimated cash outflows for next quarter

	\$A'000
4.1 Exploration and evaluation	20
4.2 Development	–
Total	20

Reconciliation of cash

Reconciliation of cash at the end of the quarter (as shown in the consolidated statement of cash flows) to the related items in the accounts is as follows.	Current quarter \$A'000	Previous quarter \$A'000
5.1 Cash on hand and at bank	30	28
5.2 Deposits at call	367	594
5.3 Bank overdraft	–	–
5.4 Other (provide details)	–	–
Total: cash at end of quarter (item 1.22)	397	622

Changes in interests in mining tenements

	Tenement reference	Nature of interest (note (2))	Interest at beginning of quarter	Interest at end of quarter
6.1	Interests in mining tenements relinquished, reduced or lapsed	NIL		
6.2	Interests in mining tenements acquired or increased	NIL		

Issued and quoted securities at end of current quarter

Description includes rate of interest and any redemption or conversion rights together with prices and dates.

	Total number	Number quoted	Issue price per security (see note 3) (cents)	Amount paid up per security (see note 3) (cents)
7.1 Preference securities <i>(description)</i>				
7.2 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs, redemptions				
7.3 *Ordinary securities	91,098,610	91,098,610		
7.4 Changes during quarter (a) Increases through issues (b) Decreases through returns of capital, buy-backs				
7.5 *Convertible debt securities <i>(description)</i>				
7.6 Changes during quarter (a) Increases through issues (b) Decreases through securities matured, converted				
7.7 Options			Exercise Price	Expiry Date
Listed Options, exercisable at 20 cents expiring on 31 January 2005	89,196,734	89,196,734	20c	31 January 2005
7.8 Issued during quarter				
7.9 Exercised during quarter				
7.10 Expired during quarter				
7.11 Debentures <i>(totals only)</i>				
7.12 Unsecured notes <i>(totals only)</i>				

Compliance statement

- 1 This statement has been prepared under accounting policies which comply with accounting standards as defined in the Corporations Act or other standards acceptable to ASX.
- 2 This statement does give a true and fair view of the matters disclosed.

Sign here:

Date: 29 April 2003



Print name: Alan Van Noort
Director