**MACDONALD MINES EXPLORATION LTD.**

**Notice pursuant to Section 12 of the *Securities Act* (Québec) and Section 115 of the *Regulation respecting Securities* (Québec)**

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1. **Date planned for the beginning of the distribution**

   July 21, 2004 (the "Closing Date").

2. **Brief description of securities to be distributed**

   Flow-through common shares ("Flow-Through Common Shares") of MacDonald Mines Exploration Ltd. (the "Corporation") and units ("Units") of the Corporation. Each Unit is exercisable to purchase one common share of the Corporation at a price of $0.25 per common share for a period of 24 months from the Closing Date (collectively the "Offering").

3. **Number of securities to be distributed, price, and total value**

   - Up to 3,750,000 Flow-Through Common Shares at a price of $0.20 per Flow-Through Common Share for a maximum gross proceeds of $750,000.

   - Up to 1,250,000 Units at a price of $0.20 per Unit for maximum gross proceeds of $250,000.

4. **Description of the method of distribution together with the name and address of the principal dealer making the distribution**

   The Offering will be carried out on a best efforts agency basis by IBK Capital Corp. (the "Agent"), The Exchange Tower, 130 King St. West, P.O. Box 451, Suite 1180, Toronto, Ontario M5X 1E4. The Offering is being done on an exempt basis.

5. **Net proceeds that the issuer will receive and principal uses of these proceeds**

   See paragraph 3 above for a description of the maximum gross proceeds. A cash fee of 9% of the gross proceeds raised in the Offering will be payable to the Agent (the "Cash Fee"). Half of the Cash Fee (4.5%) will be payable in common shares of the Corporation. The Corporation will also reimburse the Agent for the expenses of the Agent incurred in connection with the Offering.

The proceeds of the Offering will be used to fund working capital during exploration programs for the copper-zinc volcanogenic massive sulphide (VMS) and shear hosted gold deposits in the Attawapiskat greenstone belt of the James Bay Lowlands of Northern Ontario.

**6. Name of any security holder selling securities**

N/A.

**7. Name of the competent authority entitled to issue a receipt or to grant an exemption**

Autorité des marchés financiers.

**8. Information document to be remitted to subscribers or filed with the competent authority**

There is no separate information document that is being remitted to subscribers or that will be filed with a competent authority.