

MATERIAL CHANGE REPORT

1. **Reporting Issuer**

Mesquite Exploration Ltd. (“Mesquite”)
Suite 1545
101 -6th Avenue S.W.
Calgary, Alberta T2P 3P4

2. **Date of Material Change**

December 21, 2000

3. **Publication of Material Change**

A press release by Mesquite was issued on December 29, 2000, and a copy is attached hereto.

4. **Summary of Material Change**

Mesquite announced that it closed a private placement of 1,129,630 “flow-through” Special Warrants at \$1.35 per Special Warrant, for gross proceeds of \$1,525,000. Each Special Warrant may be exchanged at no further consideration for one common shares of Mesquite. Jennings Capital Inc. acted as the exclusive agent with respect to the private placement.

5. **Full Description of Material Change**

See the attached press release.

6. **Reliance on Confidentiality Provision**

Not applicable.

7. **Omitted Information**

Not applicable

8. **Senior Officers**

M. Scott St. John, President, is knowledgeable about the material change set forth herein and can be reached at (403) 263-5355 (telephone) and (403) 263-5360 (fax).

9. **Statement of Senior Officer**

The foregoing accurately discloses the material change referred to herein.

Dated at the City of Calgary, in the Province of Alberta, this 29th day of December, 2000

/signed/ “*M. Scott St. John*”
President
MESQUITE EXPLORATION LTD.

FOR IMMEDIATE RELEASE

NEWS RELEASE

MESQUITE EXPLORATION LTD. ANNOUNCES PRIVATE PLACEMENT

(December 29, 2000; Calgary, Alberta) Mesquite Exploration Ltd. (CDNX/MQL) announced today that it closed an offering of 1,129,630 "flow-through" Special Warrants which were issued on a private placement basis at a price of \$1.35 per warrant for gross proceeds of \$1,525,000. Mesquite will use the proceeds of the private placement for exploration and development drilling in its core areas of Mitsue, Progress and Utikuma. Jennings Capital Inc. of Calgary acted as Mesquite's exclusive agent with respect to the placement. Each Special Warrant may be exchanged for no further consideration for one common share of Mesquite.

For further information please contact Scott St. John, President, at (403) 263-5355 or by email at msstjohn@mesquiteexpl.com.

The Canadian Venture Exchange has not reviewed and does not accept responsibility for the adequacy of this release.