This document is important and requires your immediate attention. If you are in doubt as to how to respond to the Offer, you should consult with your investment dealer, stockbroker, lawyer or other professional advisor. Inquiries concerning the information in this document should be directed to PricewaterhouseCoopers Inc., as Interim Receiver and Manager of Bresea Resources Ltd., to the attention of Geoff Varga at (403) 509-7366. Terms used in this document are defined in the Glossary on page 7 of this document.

INFORMATION CIRCULAR

relating to the Securities-Exchange Offer by

MacDONALD OIL EXPLORATION LTD.

dated December 11, 2000

to purchase all of the Common Shares

of

BRESEA RESOURCES LTD.

PricewaterhouseCoopers Inc., as Interim Receiver and Manager of Bresea Resources Ltd., with the concurrence of Bresea's Shareholders' Advisory Committee and the advice of Bresea's Financial Advisors, STRONGLY URGES SHAREHOLDERS TO REJECT THE OFFER and TO NOT TENDER THEIR COMMON SHARES TO THE OFFER.

NOTICE TO UNITED STATES SHAREHOLDERS

The tender offer referred to herein is made for the securities of a Canadian issuer, and while the offer is subject to Canadian disclosure requirements, U.S. shareholders should be aware that these requirements are different from those of the United States. The enforcement by U.S. shareholders of civil liabilities under the United States federal securities laws may be affected adversely by the fact that Bresea Resources Ltd. is located in a foreign country.

January 2, 2001

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SUMMARY

The information set out below is intended as a summary only and is qualified in its entirety by the more detailed information appearing elsewhere in this Information Circular. Terms used in this summary but not defined herein are defined in the Glossary on page 7 of this Information Circular and elsewhere in this Information Circular.

The Offer: The Offeror has made a securities-exchange offer to purchase all of the issued and outstanding Common Shares of Bresea on the basis of one (1) unit comprised of five (5) MacDonald Common Shares and two and one-half (2 ½) MacDonald F-Warrants for each Common Share. Each MacDonald F-Warrant enables the holder to purchase one additional MacDonald Common Share at $0.20 per share until December 1, 2001. The intention to make the Offer was announced by the Offeror on November 15, 2000 and the Offer and Circular was received by Bresea and the Interim Receiver on December 21, 2000. The Offer, details of which are contained in the Offer and Circular, contains various terms and conditions and is open for acceptance until 5:00 p.m. (Toronto time) on January 18, 2001, unless withdrawn or extended.

Response of Bresea to the Offer: **THE INTERIM RECEIVER STRONGLY URGES BRESEA SHAREHOLDERS TO REJECT THE OFFER AND TO NOT TENDER THEIR COMMON SHARES IN ACCEPTANCE OF THE OFFER.**

Bresea Action Plan: The Interim Receiver has determined, with the concurrence of the Shareholders' Advisory Committee, that it is desirable for the Interim Receiver and its Financial Advisors to continue discussions with other parties, which may lead to other proposals in addition to the announced 32565 Yukon Inc. offer dated December 14, 2000 and the MacDonald Offer. The Interim Receiver is seeking an alternative which would allow Bresea Shareholders the opportunity to maximize the value of their Common Shares and to obtain liquidity for those who want the opportunity to sell or otherwise deal with their Common Shares. The Interim Receiver will be providing further information to shareholders in this regard prior to the meeting of Bresea Shareholders on February 9, 2001.

The Interim Receiver has entered into the Settlement Agreement which, together with the approval and implementation of a plan of compromise or arrangement, will allow Bresea to be rejuvenated as a well-capitalized, debt-free entity under the guidance of a board of directors elected by its shareholders, and/or allow Bresea to enter into an immediate business transaction which could deliver value and liquidity to Bresea Shareholders. The Interim Receiver anticipates that a reorganized Bresea will have approximately 71.8 million shares outstanding and assets of approximately $21.7 million for a net book value value of $0.30 per Bresea Share. See "The Settlement Agreement".

The Interim Receiver will convene a meeting of Bresea Shareholders on February 9, 2001. The matters to be addressed at this shareholders meeting will include:

(i) presentation of the financial statements for Bresea's fiscal years ended December 31, 1996, 1997, 1998 and 1999;
(ii) election of a board of directors for Bresea;
(iii) appointment of auditors for Bresea; and

(iv) approval of the Settlement Agreement and authority to proceed with the steps required in order to implement the settlement and the plan of compromise and arrangement contemplated by the Settlement Agreement.

See “Bresea Shareholders Meeting”.

Reasons for Not Tendering to the Offer: The Interim Receiver has reviewed and considered the Offer and for the following reasons **URGES BRESEA SHAREHOLDERS TO REJECT THE OFFER AND TO NOT TENDER** their Common Shares in acceptance of the Offer:

1. **The Offer is Financially Inadequate**

The Interim Receiver has received an opinion from Yorkton Securities Inc. that the Offer is inadequate from a financial point of view. See “The Offer is Financially Inadequate”.

2. **“Going Concern” Qualification in MacDonald’s Financial Statements**

Note 2 to MacDonald’s audited financial statements for the years ended August 31, 2000 and 1999 (attached as Appendix “B” to the Circular) contains a “going concern” qualification, which assumes that MacDonald will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations. As stated in the Note 2, certain adverse conditions and events cast substantial doubt as to the validity of this assumption. See ““Going Concern” Qualification in MacDonald’s Financial Statements”.

3. **Lack of Liquidity**

Public trading statistic records disclose that MacDonald Common Shares have limited liquidity in the after-market. During 1998, 1999 and 2000, less than 5,000,000 MacDonald Common Shares have traded in each calendar year, representing approximately 16% of the number of MacDonald Common Shares then issued and outstanding.

As set out in the Circular, if MacDonald acquires all of the Common Shares, an additional 327,519,850 MacDonald Common Shares and warrants to purchase an additional 163,795,500 MacDonald Common Shares at $0.20 per share until December 1, 2001 would be issued.

There may be no public market for the MacDonald Common Shares or the MacDonald F-Warrants.

4. **MacDonald's Unsatisfactory Financial History**

In the view of the Interim Receiver, MacDonald does not have a satisfactory financial history. Since its inception six years ago, MacDonald has had losses every year. During the past five years, MacDonald has had revenue of US$17,131 and expenses of US$1,013,532. MacDonald's revenue in its financial year ended August 31, 2000, was US$128.

In addition, MacDonald has disclosed no business plans other than to expend capital on a highly speculative oil and gas concession in Cuba. MacDonald must make an additional financial expenditure in Cuba but, based on the information in the Circular, does not yet have the capital to do so.

5. **Failure to Reflect Full Value of Bresea**

If the Offer is accepted by all Bresea shareholders, Bresea shareholders will own approximately 92% (basic) of MacDonald's issued and outstanding common shares and will have contributed, on a pro-forma consolidated basis, 100% of the net cash available to MacDonald after the transaction is effected. The Offer fails to reflect the value of Bresea's assets and future prospects. **If the Settlement Agreement is approved and its provisions implemented, the net book value of each Common Share is expected to be approximately $0.30.** See "The Settlement Agreement".

6. **Regulatory Approvals and Enforcement Actions**

The Enforcement Branch of the Ontario Securities Commission is conducting an investigation and review regarding the past conduct of MacDonald and certain of its officers, directors and insiders regarding compliance with, among other things, continuous disclosure and other regulatory reporting requirements. By virtue of its own conditions to its Offer, MacDonald is not able to take up any Common Shares tendered to the Offer until the completion by MacDonald of a settlement with the staff of the Ontario Securities Commission, regarding this past conduct of MacDonald and certain of its directors, officers and insiders. Any settlement between MacDonald and the Ontario Securities Commission could adversely affect MacDonald and could prohibit certain directors and officers of MacDonald from continuing to act as such.

The policies of the Canadian Venture Exchange require MacDonald to have a sponsor in connection with this Offer. MacDonald's proposed sponsor has recently been investigated by the Alberta Securities Commission for non-compliance with Alberta securities laws. As a result, as stated in the Circular, the firm may be unacceptable to the Canadian Venture Exchange as a sponsor of MacDonald, leaving in doubt MacDonald's ability to obtain the approval of the Canadian Venture Exchange of the Offer. Canadian Venture Exchange approval is required in order for MacDonald to complete the Offer. See "Regulatory Approvals and Enforcement Actions".

In addition, the Offer is conditional upon MacDonald receiving agreements and orders from various securities commissions.

The Circular also states that on completion of the Offer, MacDonald will have to satisfy the Canadian Venture Exchange's minimum listing requirements. In the event that it cannot satisfy those requirements, MacDonald may be delisted by the Canadian Venture Exchange. There is no assurance that MacDonald will be able to satisfy those requirements.

7. **No Representation on MacDonald Board of Directors**

If the Offer is accepted by all Bresea shareholders, Bresea shareholders will own approximately 92% (basic) of MacDonald's issued and outstanding common shares. However, Bresea shareholders will not have any representation on the board of directors of MacDonald. See "No Representation on MacDonald Board of Directors".

8. **Non-Acceptance of the Offer**

Bresea Shareholders holding or representing in excess of 31% of the issued and outstanding Common Shares have advised the Interim Receiver that they do not intend to tender their Common Shares to the Offer. See "Non-Acceptance of the Offer".

9. **The Offer is Coercive and Not a Permitted Bid**

The Offer is coercive. The Interim Receiver also believes that the timing of the Offer is opportunistic and places Bresea Shareholders at a disadvantage.

The Offer is not conditional on any minimum acceptance level. The lack of a high minimum acceptance condition is an attempt to coerce shareholders to tender notwithstanding that the holders of a significant number of Common Shares would seek higher value. **Tendering to this Offer may allow the Offeror to significantly erode the liquidity of the remaining Common Shares.**

The Offer is not a Permitted Bid as defined in and pursuant to the Rights Plan, which requires any take-over bid to be open for acceptance by shareholders for at least 90 calendar days. The purpose of the Rights Plan is to provide Bresea Shareholders with sufficient time to properly consider any take-over bid made for Bresea and to allow enough time for competing bids and alternative proposals to emerge.

The Offer is clearly intended to limit the ability of Bresea Shareholders to carefully consider the Offer and the ability of the Interim Receiver to respond to the Offer and seek alternative bids for Bresea Shareholders.

Further, the Offer does not provide (as required by a Permitted Bid) that in the event that greater than 50% of the then outstanding Common Shares held by shareholders, other than the Offeror, have been deposited or tendered pursuant to a bid and not withdrawn, the bid is to remain open for a further 15 business days and the Offeror will make a public announcement of such fact. This provision of the Rights Plan is intended to limit the potential coercion of the threat that non-acceptance of the Offer would leave the shareholder without alternatives. **The Offer seeks to take advantage of that coercive element.**

The Interim Receiver is of the view that it is not appropriate at this time to terminate or waive the Rights Plan or to redeem the rights which have been issued thereunder. The Interim Receiver intends to permit the Rights Plan to remain in place for so long as it believes that it is in the best interests of Bresea and the Bresea Shareholders to do so and such action achieves and is consistent with the purposes for which the Rights Plan was adopted. See "The Offer is Coercive and Not a Permitted Bid".

10. **The Offer is Highly Conditional to the Benefit of MacDonald**

The Offer is subject to a large number of conditions many of which are at the sole discretion of the Offeror. As well, the Offer is subject to certain conditions relating to enforcement and regulatory matters involving the Alberta, British Columbia, Ontario and Quebec Securities Commissions and the Canadian Venture Exchange. See "Regulatory Approvals and Enforcement Actions" and "The Offer is Highly Conditional to the Benefit of MacDonald".

11. **Other Offers or Alternatives May Emerge**

Bresea currently has a process in place which the Interim Receiver believes represents the best opportunity to maximize shareholder value. Through this value maximization process, Bresea and its Financial Advisors have contacted or been contacted by, a number of qualified parties in Canada who may have an interest in a merger with, or acquisition of some or all of the Common Shares of Bresea.

The Interim Receiver is vigorously pursuing these initiatives and expects to receive proposals from interested parties with a view to a transaction which maximizes the value available to all Bresea Shareholders. Although there can be no assurance, the Interim Receiver believes that a financially superior offer may well emerge from the process currently underway. Rather than tendering to the Offer, Bresea Shareholders should wait to see if other offers or alternative transactions develop. See "Other Offers or Alternatives May Emerge".

12. **Solicitation Fee**

MacDonald will pay a soliciting fee of $0.02 per Common Share tendered, taken up and paid for by MacDonald to registered dealers and other entitled recipients of a fee for soliciting Common Shares tendered to the Offer. If all Common Shares are tendered to the Offer, this fee would represent approximately 4.3% of Bresea's net book value (approximately 6.5% of Bresea's net book value after the Settlement Agreement is effected).

Without raising additional capital, MacDonald does not, based on the financial statements for the year ended August 31, 2000, have sufficient funding to pay the solicitation fee, as described in the Circular. If convertible debt is incurred to pay the solicitation fee, it may have a dilutive effect on Bresea Shareholders.

GLOSSARY

In this Information Circular, unless the subject matter or context is inconsistent therewith, the following terms shall have the meanings set forth below.

"**Bresea**" or "**Company**" means Bresea Resources Ltd.

"**Bresea Shareholders**" means holders of Common Shares.

"**Bre-X**" means Bre-X Minerals Ltd.

"**Bre-X Trustee**" means Deloitte & Touche, Trustee in bankruptcy for Bre-X.

"**CCAA**" means the *Companies' Creditors Arrangement Act* (Canada) and the regulations promulgated thereunder, as amended from time to time.

"**Circular**" means the circular accompanying the Offer from MacDonald dated December 11, 2000.

"**Common Shares**" means the common shares in the capital of Bresea and any associated Rights.

"**December Order**" means the order of the Court of Queen's Bench of Alberta dated December 21, 2000 and pertaining to the powers of the Interim Receiver in connection with a take-over bid for Bresea.

"**Expiry Date**" means January 18, 2001, unless the Offer is amended to fix another date on which the Offer expires.

"**Expiry Time**" means 5:00 p.m. (Toronto time) on the Expiry Date.

"**Financial Advisors**" means Yorkton Securities Inc.

"**Information Circular**" means this Information Circular dated January 2, 2001 issued by the Interim Receiver in lieu of a Directors' Circular as required by applicable securities legislation in response to the Offer.

"**Interim Receiver**" means PricewaterhouseCoopers Inc., as Interim Receiver and Manager of Bresea.

"**Letter of Transmittal**" means the letter of transmittal in the form accompanying the Offer and the Circular.

"**MacDonald**" or "**Offeror**" means MacDonald Oil Exploration Ltd., a corporation continued under the *Business Corporations Act* (Ontario).

"**MacDonald Common Share**" means a common share of MacDonald.

"**MacDonald F-Warrant**" means a MacDonald warrant to purchase one (1) common share of MacDonald at $0.20 until December 1, 2001.

“**Notice of Guaranteed Delivery**” means the Notice of Guaranteed Delivery in the form accompanying the Offer and the Circular.

“**Offer**” means the offer dated December 11, 2000, made by the Offeror to purchase all of the issued and outstanding Common Shares, at a purchase price for each Common Share of one (1) unit comprised of five (5) MacDonald Common Shares and two and one-half (2 ½) MacDonald F-Warrants.

“**Ontario Action**” means an action which has been actively proceeding against Bresea and conducted from Toronto, Ontario.

“**Permitted Bid**” has the meaning ascribed thereto in the Rights Plan. See “Rights Plan”.

“**Receivership Order**” means an Order of the Court of Queen’s Bench of Alberta dated November 5, 1997, and subsequently clarified and expanded by an order dated February 11, 1998 appointing the Interim Receiver as Interim Receiver and Manager of Bresea.

“**Right**” or “**Rights**” means the rights held by Bresea Shareholders pursuant to the Rights Plan.

“**Rights Plan**” means the Shareholder Rights Plan Agreement dated April 26, 1996 between Bresea and Montreal Trust Company of Canada, as rights agent.

“**SAC Order**” means an order from the Court of Queen’s Bench of Alberta on July 21, 1999 directing the creation of the Shareholders’ Advisory Committee and directing that the Interim Receiver be authorized to consult with the Shareholders’ Advisory Committee and thereafter to respond to a take-over bid made by MacDonald as prudent management would do.

“**Separation Time**” has the meaning ascribed thereto in the “Rights Plan” in this Information Circular.

“**Settlement Agreement**” means a settlement agreement dated October 18, 2000 and involving the Bre-X Trustee, representatives of the Ontario Action and Texas Action and the Interim Receiver and contemplating the settlement of all claims against Bresea directly or pursuant to a statutory plan of compromise or arrangement.

“**Shareholders’ Advisory Committee**” means the shareholders’ advisory committee created by an order of the Court of Queen’s Bench of Alberta on July 21, 1999 and mandated, amongst other things, to advise the Interim Receiver regarding the business and affairs of Bresea and to advise the Interim Receiver in the event of a take-over bid for the Common Shares.

“**Texas Action**” means an action which has actively been proceeding against Bresea and conducted from Texarkana, Texas.

BRESEA RESOURCES LTD.

INFORMATION CIRCULAR

This Information Circular is issued by the Interim Receiver, with the concurrence of Bresea's Shareholders' Advisory Committee and the advice of Bresea's Financial Advisors, in connection with the Offer made by MacDonald Oil Exploration Ltd. to purchase all of the issued and outstanding Common Shares on the basis of one (1) unit comprised of five (5) MacDonald Common Shares and two and one-half (2 ½) MacDonald F-Warrants for each Common Share. Each MacDonald F-Warrant enables the holder to purchase one additional MacDonald Common Share at $0.20 per share until December 1, 2001. The Offer is subject to a number of conditions which are set forth in the Offer and the Circular. The Expiry Time of the Offer is stated to be 5:00 p.m. (Toronto time) on January 18, 2001, unless the Offer is withdrawn or extended. Bresea does not have a board of directors and this Information Circular is in lieu of the Directors' Circular prescribed by applicable securities laws and regulations.

Unless otherwise indicated herein, all dollar amounts set forth in this Information Circular are in Canadian dollars.

BACKGROUND TO THE OFFER

On May 8, 1997 the Court of Queen's Bench of Alberta made an order granting Bresea protection from its creditors under the provisions of the CCAA with a direction to file a formal plan of compromise and arrangement on or prior to October 31, 1997. Bresea did not file such a plan by such date and its protection under the CCAA was terminated.

The Interim Receiver was subsequently appointed as interim receiver and manager of Bresea by the Receivership Order on November 5, 1997, as clarified and expanded on February 11, 1998.

Pursuant to the terms of the Receivership Order, the Interim Receiver was authorized and empowered to manage, direct and operate the business and undertakings of Bresea for the purpose of preserving and protecting the undertakings, property and assets of Bresea, including instituting and prosecuting all such suits, proceedings and actions in law as may, in its judgment be necessary for the proper protection of the undertakings, property and assets of Bresea. Specifically, the Interim Receiver was authorized, among other things, to fully investigate the affairs of Bresea, inquire into the nature, validity and amount of all claims and potential claims against Bresea and inquire into and assess the nature, validity and amount of all claims and potential claims by Bresea against third parties.

The Interim Receiver has, with the concurrence of the Court of Queen's Bench of Alberta, managed the assets and affairs of Bresea so as to preserve Bresea's assets and defend Bresea against the various actions prosecuted against it.

On June 8, 1999, MacDonald made an offer to acquire Bresea's Common Shares pursuant to the formal take-over provisions of the applicable corporate and securities legislation. As Bresea did not have a board of directors in place to issue a directors' circular as required under the applicable securities legislation, the Interim Receiver sought and obtained the SAC Order directing the creation of the Shareholders' Advisory Committee and directing that the Interim Receiver was authorized to consult with the Shareholders' Advisory Committee and thereafter respond to a take-over bid made by MacDonald as any prudent management would.

Pursuant to the SAC Order, the terms of reference of the Shareholders' Advisory Committee include:

1. to provide guidance to the Interim Receiver regarding the business and affairs of Bresea;

2. to provide guidance to the Interim Receiver in connection with any possible settlement discussions of the claims against Bresea;

3. to provide guidance to the Interim Receiver as to whether a shareholders' meeting and a formal election of directors is feasible and desirable;

4. if a shareholders' meeting is to be held to elect directors, to provide guidance to the Interim Receiver in the selection of a slate of qualified candidates to stand for election;

5. to provide guidance to the Interim Receiver in the event of a take-over bid for the Common Shares or any other corporate transaction; and

6. to provide guidance to the Interim Receiver in regards of all derivative actions made on behalf of Bresea.

The Interim Receiver negotiated the Settlement Agreement, with the concurrence of the Shareholders' Advisory Committee. The Interim Receiver will conduct an annual and special meeting of the Bresea Shareholders, scheduled for February 9, 2001, to consider, and if deemed appropriate, approve the Settlement Agreement.

On December 15, 2000, 32565 Yukon Inc., a wholly-owned subsidiary of MFC Bancorp Ltd., made an offer to acquire Bresea's Common Shares on the basis of $0.15 for each Common Share pursuant to the formal take-over provisions of the applicable corporate and securities legislation by filing an offer, accompanying circular, letter of transmittal and notice of guaranteed delivery with securities regulatory authorities and mailing these documents to Bresea Shareholders.

On December 21, 2000, MacDonald filed with securities regulatory authorities and mailed the Offer and Circular, Letter of Transmittal and Notice of Guaranteed Delivery to Bresea shareholders in connection with its offer to purchase all of the issued and outstanding Common Shares on the basis of one (1) unit comprised of five (5) MacDonald Common Shares and two and one-half (2 ½) MacDonald F-Warrants for each Common Share. Each MacDonald F-Warrant enables the holder to purchase one additional MacDonald Common Share at $0.20 per share until December 1, 2001.

On December 21, 2000, the Interim Receiver sought and obtained the December Order which authorized the Interim Receiver to fairly exercise the powers and undertake any action which a properly constituted board of directors of Bresea could exercise or undertake, as it deemed appropriate in respect of an offer by MacDonald or any other offer to the Bresea Shareholders. The December Order also provides that, where possible, the Interim Receiver will obtain and consider the views of the Shareholders' Advisory Committee prior to exercising such powers or undertaking such action.

On December 22, 2000, the Interim Receiver filed an information circular in response to the offer by 32565 Yukon Inc. recommending that Bresea Shareholders not tender their Common Shares to the offer from 32565 Yukon Inc. until they have received further communication from the Interim Receiver. The Interim Receiver also deferred the separation of rights (as per the terms of the Rights Plan) until January 17, 2001.

It is as a result of the mandate given to both the Interim Receiver and Shareholders' Advisory Committee that the Interim Receiver has consulted with and sought the concurrence of the Shareholders' Advisory Committee in connection with the Offer and is issuing this Information Circular in lieu of a Directors' Circular as specifically mandated by applicable securities legislation in response to the Offer.

BRESEA SHAREHOLDERS MEETING

The Interim Receiver will conduct an annual and special meeting of the Bresea Shareholders on February 9, 2001. The matters to be addressed at this meeting of Bresea Shareholders will include:

1. the consideration and, if deemed appropriate, approval of the Settlement Agreement;
2. upon approval of the Settlement Agreement, the consideration and, if deemed appropriate, approval of the statutory plan of compromise or arrangement as contemplated in the Settlement Agreement;
3. the presentation of the financial statements for Bresea's fiscal years ended December 31, 1996, 1997, 1998 and 1999;
4. the election of a board of directors for Bresea; and
5. the appointment of auditors for Bresea.

In addition, if the Settlement Agreement is approved, Bresea shareholders may also be asked to consider additional matters which may include:

1. the consideration and, if deemed appropriate, approval of a specific business transaction; and / or
2. the consideration and, if deemed appropriate, approval, for completion by May 31, 2000, of the distribution of the bulk of Bresea's assets to Bresea Shareholders or the buy back of Common Shares from Bresea Shareholders, which the Interim Receiver anticipates will represent a price of $0.30 per Common Share.

THE SETTLEMENT AGREEMENT

Although there are a total of nine actions currently outstanding against Bresea, there are only two main actions which have been actively proceeding against Bresea, the Ontario Action and the Texas Action. The Ontario Action has been certified as a class action on behalf of present and former Bre-X shareholders who suffered losses as a result of the Busang fraud. The Ontario Action alleges that Bresea was a party to the Busang fraud. The Texas Action makes similar allegations against Bresea as well as additional allegations of breaches of U.S. securities laws. The Texas Action is also framed as a class action, although it has not yet been certified, on behalf of past and present shareholders of both Bre-X and Bresea who suffered losses as a result of the Busang fraud. Most of the remaining actions are aligned with the Texas Action and Ontario Action.

Faced with the Ontario Action and Texas Action, the Interim Receiver has been, and continues to be, of the view that a piecemeal settlement with some litigants is unlikely to be either fair or constructive and it has therefore sought to negotiate a settlement which will be part of a framework to address all actual and potential claims against Bresea which may have merit, and which would if implemented provide comparable treatment to comparable claims, wherever the claimants may be resident or the claims may be asserted. However, in keeping with the terms of its appointment, the Interim Receiver has made clear in its negotiations that it will not commit Bresea to any compromise of material claims against it without approval of the Court of Queen's Bench of Alberta and the Bresea Shareholders.

Following extensive negotiations involving the Bre-X Trustee and representatives of the Ontario Action and Texas Action, the Interim Receiver has, with the concurrence of the Shareholders' Advisory Committee and on the recommendation of legal counsel in Canada and the United States of America in connection with the actions, executed the Settlement Agreement, which it believes forms the basis for a comprehensive settlement of virtually all claims by past or present Bre-X shareholders against it, and allows Bresea, through a statutory plan of compromise or arrangement, to proceed to deal with all claims which might be advanced against it by virtue of its relationship with Bre-X.

Bresea has assets of $32 million, consisting of approximately $27 million in liquid assets, currently held in cash, term deposits and other low-risk instruments by the Interim Receiver, and the shares of Grosvenor Investments Ltd., which owns a building at 119 - 14th Street N.W., Calgary (with an estimated value of $4 million). Bresea also has other assets valued at approximately $1 million.

In summary, the Settlement Agreement contemplates the following:

1. a payment to the Trustee of the Bre-X estate of $10 million by Bresea on behalf of shareholders and former shareholders of Bre-X who suffered damage as a result of the Busang fraud; and

2. Bresea reviving the CCAA proceedings commenced by Bresea in 1997, and proposing a plan of compromise and arrangement to all other parties having claims against Bresea, who in the view of the Interim Receiver will be principally shareholders and former shareholders of Bresea who suffered damage as a result of the Busang fraud.

The proposed settlement with shareholders and former shareholders of Bre-X is contingent upon the plan of compromise and arrangement being approved by Bresea's Shareholders at a special meeting called for such purpose, parties having claims against Bresea and the Court of Queen's Bench of Alberta. It is subject to certain conditions precedent including the approval of the Settlement Agreement and the granting of certain related orders by the Court of Queen's Bench of Alberta and the courts of Ontario and Texas. In the event any of those approvals or orders are not obtained, or the plan of compromise and arrangement is not approved, the Settlement Agreement is void and of no effect, aside from certain provisions intended to ensure that no party is prejudiced by having executed the Settlement Agreement or brought applications seeking the approvals contemplated by the Settlement Agreement.

The plan of compromise and arrangement contemplated by the Settlement Agreement would provide for the creation of a pool of 14.3 million Common Shares representing approximately 20% of the outstanding Common Shares of Bresea as reorganized, to be distributed to satisfy the claims of all persons having a claim against Bresea, by way of a *pro rata* distribution of the pooled Common Shares among them. The pool of Common Shares is to be created in part by the issuance of 6.3 million new Common Shares, and in part by the redistribution of 8 million Common Shares owned by Bre-X and being conveyed to the Interim Receiver as part of the Settlement Agreement. The reasoning behind this proposal is that it is the Interim Receiver's understanding that the majority of claims not compromised directly by the Settlement Agreement will come from Bresea's Shareholders, and that the offering of further Common Shares will allow Bresea to conserve its assets and make it better able to complete a substantial business transaction. Should a Bresea Shareholder wish to monetize its shareholdings of Bresea after the completion of the plan of compromise or arrangement and Settlement Agreement it is perceived that the Common Shares will be trading sufficiently actively at that point to allow such an exit.

The $10 million payment to the Bre-X Trustee is intended to be used in part to pursue claims against various parties, and Bresea may recoup as much as $2.5 million of the settlement amount paid to the Bre-X Trustee from monies which may be recovered in that litigation.

The Interim Receiver anticipates that **if the Settlement Agreement is approved, and the plan of compromise and arrangement is approved and implemented as outlined above, the net book value of each Common Share** (calculated by dividing the value of the assets of Bresea by the number of Common Shares expected to be outstanding on a fully-diluted basis post-plan) will be approximately **$0.30 per Common Share**, without including any potential recovery from litigation. This value would become available to Bresea Shareholders only following approval and implementation of the Settlement Agreement and its terms and a plan of compromise and arrangement, which process is anticipated to be completed by May 31, 2001.

RESPONSE OF BRESEA

The Interim Receiver STRONGLY URGES Bresea Shareholders TO REJECT THE OFFER and TO NOT TENDER their Common Shares in acceptance of the Offer or complete any Letter of Transmittal or Notice of Guaranteed Delivery.

The Interim Receiver has determined, with the concurrence of the Shareholders' Advisory Committee, that it is desirable for the Interim Receiver and its Financial Advisors to continue discussions with other parties, which may lead to other proposals in addition to the announced 32565 Yukon Inc. offer dated December 14, 2000 and the MacDonald Offer. The Interim Receiver is seeking an alternative which would allow Bresea Shareholders the opportunity to maximize the value of their Common Shares and to obtain liquidity for those who want the opportunity to sell or otherwise deal with their Common Shares. The Interim Receiver will be providing further information to shareholders in this regard prior to the meeting of Bresea Shareholders on February 9, 2001.

The Interim Receiver has entered into the Settlement Agreement which, together with the approval and implementation of a plan of compromise or arrangement, will allow Bresea to be rejuvenated as a well-capitalized, debt-free entity under the guidance of a board of directors elected by its shareholders, and/or allow Bresea to enter into an immediate business transaction which could deliver value and liquidity to Bresea Shareholders. The Interim Receiver anticipates that a reorganized Bresea will have approximately 71.8 million shares outstanding and assets of approximately $21.7 million for a net book value value of $0.30 per Bresea Share. See "The Settlement Agreement".

Prior to the mailing of this Information Circular, shareholders holding or representing in excess of 31% of the issued and outstanding Common Shares advised the Interim Receiver that they do not intend to tender their Common Shares to the Offer.

REASONS FOR NOT TENDERING TO THE OFFER

The Interim Receiver has reviewed and considered the Offer and has received financial advice from the Financial Advisor and legal advice from counsel to the Interim Receiver, Borden Ladner Gervais LLP. **The Interim Receiver urges Bresea Shareholders TO REJECT THE OFFER and TO NOT TENDER their Common Shares** in acceptance of the Offer for the following reasons:

The Offer is Financially Inadequate

The Interim Receiver and Shareholders Advisory Committee has received a written opinion dated December 29, 2000 from Yorkton Securities Inc. stating its opinion that the consideration offered to Bresea shareholders pursuant to the Offer is inadequate from a financial point of view. A copy of the opinion is attached as Schedule “A” to this Information Circular. The full text of the opinion of Yorkton Securities Inc. is incorporated herein by reference and should be reviewed and considered in its entirety in conjunction with a review of this Information Circular.

“Going Concern” Qualification in MacDonald’s Financial Statements

Note 2 to MacDonald’s audited financial statements for the years ended August 31, 2000 and 1999 (attached as Appendix “B” to the Circular) contains a “going concern” qualification, and specifically states:

> “These financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company [MacDonald] will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations.
>
> Certain adverse conditions and events cast substantial doubt as to the validity of this assumption, namely:
>
> The Company [MacDonald] has incurred losses in each year since its inception and at August 31, 2000, the Company [MacDonald] had a deficit of $1,020,858 and a working capital deficiency of $156,454.
>
> The recoverability of the carrying value of oil and gas interests and the Company’s [MacDonald’s] continued existence is dependent upon its ability to obtain necessary financing to meet ongoing expenses, complete the development of its oil and gas interests, future production therefrom and / or receive proceeds from the disposition thereof. There can be no assurance that the Company [MacDonald] will be able to continue as a going concern or to meet its ongoing obligations.
>
> If the going concern assumption was not appropriate for these financial statements, then adjustments would be necessary in the carrying values of assets and liabilities, the reported revenue and expenses, and the balance sheet classifications used.”

Lack of Liquidity

Public trading statistic records disclose that MacDonald Common Shares have limited liquidity in the after-market. During 1998, 1999 and 2000, less than 5,000,000 MacDonald Common Shares have traded in each calendar year, representing approximately 16% of the number of MacDonald Common Shares then issued and outstanding.

As set out in the Circular, if MacDonald acquires all of the Common Shares, an additional 327,519,850 MacDonald Common Shares and warrants to purchase an additional 163,795,500 MacDonald Common Shares at $0.20 per share until December 1, 2001 would be issued.

There may be no public market for the MacDonald Common Shares or the MacDonald F-Warrants. As stated in the Circular, MacDonald does not yet have the approval of the Canadian Venture Exchange to complete the Offer on its present terms and there is no assurance that such approval will be obtained. In addition, even if the Canadian Venture Exchange approves MacDonald’s listing application to have the Common Shares and the F-Warrants issued pursuant to the Offer listed on the Canadian Venture Exchange, these Common Shares and F-Warrants will, unless additional relief is granted by the Canadian Venture

Exchange, be legended with a four month hold period, restricting resale of the securities for a period of four months.

MacDonald's Unsatisfactory Financial History

In the view of the Interim Receiver, MacDonald does not have a satisfactory financial history. Since its inception six years ago, MacDonald has had losses every year. During the past five years, MacDonald has had revenue of US$17,131 and expenses of US$1,013,532. MacDonald's revenue in its financial year ended August 31, 2000, was US$128.

In addition, MacDonald has disclosed no business plans other than to expend capital on a highly speculative oil and gas concession in Cuba. MacDonald must make an additional financial expenditure in Cuba but, based on the information in the Circular, does not yet have the capital to do so.

Failure to Reflect Full Value of Bresea

If the Offer is accepted by all Bresea shareholders, Bresea shareholders will own approximately 92% (basic) of MacDonald's issued and outstanding common shares and will have contributed, on a pro-forma consolidated basis, 100% of the net cash available to MacDonald after the transaction is effected. The Offer fails to reflect the value of Bresea's assets and future prospects. **If the Settlement Agreement is approved and its provisions implemented, the net book value of each Common Share is expected to be approximately $0.30.** See "The Settlement Agreement".

Regulatory Approvals and Enforcement Actions

The Enforcement Branch of the Ontario Securities Commission is conducting an investigation and review regarding the past conduct of MacDonald and certain of its officers, directors and insiders regarding compliance with, among other things, continuous disclosure and other regulatory reporting requirements. By virtue of its own conditions to its Offer, MacDonald is not able to take up any Common Shares tendered to the Offer until the completion by MacDonald of a settlement with the staff of the Ontario Securities Commission, regarding this past conduct of MacDonald and certain of its directors, officers and insiders. Any settlement between MacDonald and the Ontario Securities Commission could adversely affect MacDonald and could prohibit certain directors and officers of MacDonald from continuing to act as such.

The policies of the Canadian Venture Exchange require MacDonald to have a sponsor. The proposed sponsor of MacDonald in connection with the Offer, Jones Gable & Co. Ltd., has recently been investigated by the Alberta Securities Commission for non-compliance with Alberta securities laws. As a result, as stated in the Circular, Jones Gable & Co. Ltd. may be unacceptable to the Canadian Venture Exchange as a sponsor of MacDonald, leaving in doubt MacDonald's ability to obtain the approval of the Canadian Venture Exchange of the Offer. Canadian Venture Exchange approval is required in order for MacDonald to complete the Offer.

In addition, the Offer is conditional upon MacDonald receiving agreements and orders from various securities commissions. The Offer is conditional upon MacDonald having completed a settlement agreement with the staff of the Ontario Securities Commission regarding the past conduct of MacDonald and certain of its directors, officers and insiders in respect of compliance with, among other things, continuous disclosure requirements and rules governing junior resource issuers and such settlement shall have been approved by the Ontario Securities Commission or, alternatively, the Ontario Securities Commission shall have determined or provided assurance that the Offer may be completed without such a settlement being approved. The Offer is also conditional upon the British Columbia and Quebec securities commissions providing all necessary regulatory relief from existing cease trade orders in respect of Bresea shares to permit MacDonald to take up and pay for Bresea shares tendered to the Offer by residents of British Columbia and Quebec.

The Circular also states that on completion of the Offer, MacDonald will have to satisfy the Canadian Venture Exchange's minimum listing requirements. In the event that it cannot satisfy those requirements, MacDonald may be delisted by the Canadian Venture Exchange. There is no assurance that MacDonald will be able to meet those requirements.

No Representation on MacDonald Board of Directors

If the Offer is accepted by all Bresea shareholders, Bresea shareholders will own approximately 92% (basic) of MacDonald's issued and outstanding common shares and will have contributed, on a pro-forma consolidated basis, 100% of the net cash available to MacDonald after the transaction is effected. Notwithstanding this, Bresea shareholders will not have any representation on the board of directors of MacDonald. As stated in the Circular, MacDonald's current board of directors consists of John P. Sanderson, Q.C., Robert D. Cudney, Frank C. Smeenk, Allan J. Kent and Burton V. Pabst. In addition, at a meeting of shareholders of MacDonald Common Shares to be held on January 12, 2001, it is intended that Richard H. McLaren, Donald M. Ross and Thomas F. Bugg be added as additional directors.

Non-Acceptance of the Offer

Bresea Shareholders holding or representing in excess of 31% of the issued and outstanding Common Shares have advised the Interim Receiver that they do not intend to tender their Common Shares to the Offer. See "Non-Acceptance of the Offer".

The Offer is Coercive and Not a Permitted Bid

The Offer is coercive. The Interim Receiver also believes that the timing of the Offer is opportunistic and places Bresea Shareholders at a disadvantage.

The Offer is not conditional on the majority of Common Shares being deposited under and not withdrawn from the Offer. The fact that there is no minimum acceptance condition is an attempt to coerce shareholders to tender notwithstanding that the holders of a significant or even the majority number of Common Shares would seek higher value. **Tendering to this Offer may allow the Offeror to significantly erode the liquidity of the remaining Common Shares.**

The Offer is open for a period that falls well short of the 90 day period contemplated for a Permitted Bid. **The Rights Plan, including the Permitted Bid requirements, was approved by Bresea Shareholders in 1996 and is designed to ensure there is adequate time to achieve maximum value for the holders of Common Shares in the event of an unsolicited take-over bid.** See "Rights Plan". Instead of making a Permitted Bid with a duration of at least 90 days, MacDonald is seeking to coerce Bresea Shareholders into accepting an offer in complex circumstances within 29 days. The purpose of the Rights Plan is to provide Bresea Shareholders with sufficient time to properly consider any take-over bid made for Bresea and to allow enough time for competing bids and alternative proposals to emerge.

The Offer is clearly intended to limit the ability of Bresea Shareholders to carefully consider the Offer and the ability of the Interim Receiver to respond to the Offer and seek alternative bids for Bresea Shareholders.

Further, the Offer does not provide (as required by a Permitted Bid) that in the event that greater than 50% of the then outstanding Common Shares held by shareholders, other than the Offeror, have been deposited or tendered pursuant to a bid and not withdrawn, the bid is to remain open for a further 15 business days and the Offeror will make a public announcement of such fact. This provision of the Rights Plan is intended to limit the potential coercion of the threat that non-acceptance of the Offer would leave the shareholder without alternatives. **The Offer seeks to take advantage of that coercive element.**

The Interim Receiver is of the view that it is not appropriate at this time to terminate or waive the Rights Plan or to redeem the rights which have been issued thereunder. The Interim Receiver intends to permit the Rights

Plan to remain in place for so long as it believes that it is in the best interests of Bresea and the Bresea Shareholders to do so and such action achieves and is consistent with the purposes for which the Rights Plan was adopted.

The Offer is Highly Conditional to the Benefit of MacDonald

The highly conditional nature of the Offer entitles MacDonald to terminate the Offer virtually at will, thus effectively granting an option to MacDonald. The Offer contains 12 conditions, any of which, if not satisfied or waived, would allow MacDonald to terminate the Offer regardless of the circumstances giving rise to its decision. Many of the conditions provide broad latitude to MacDonald to determine "in its sole discretion" or "in the sole judgment of the board of directors of MacDonald" whether any particular condition has been satisfied. Certain of these conditions are not subject to materiality thresholds or objective criteria and therefore afford broad latitude to MacDonald to withdraw the Offer.

One of the conditions to **the Offer may undermine Bresea's current strategy of seeking alternative mechanisms to maximize shareholder value** and resolve outstanding claims. This condition provides that MacDonald may terminate the Offer if there shall have occurred any change (or any condition, event or development involving a prospective change) in the business, operations, assets, capitalization, financial condition, prospects, licences, permits, rights, privileges or liabilities, whether contractual or otherwise, of Bresea which, in the sole judgment of the board of directors of MacDonald, is materially adverse or may be considered to be significant to a purchaser of Bresea shares. By this condition, MacDonald is attempting to limit Bresea's ability to seek out other possible transactions with third parties and thus provide shareholders with alternatives in order to maximize shareholder value.

Other Offers or Alternatives May Emerge

Bresea currently has a process in place which the Interim Receiver believes represents the best opportunity to maximize shareholder value. Through this value maximization process, Bresea and its Financial Advisors have contacted or been contacted by, a number of qualified parties in Canada who may have an interest in a merger with, or acquisition of some or all of the Common Shares of Bresea.

In order to respond properly to the Offer and to allow Bresea Shareholders to possibly consider alternatives, the Interim Receiver and its advisors have accelerated the value maximization process that has resulted in many companies being contacted to date and resulting in considerable interest being expressed in the assets of Bresea.

The Interim Receiver is vigorously pursuing these initiatives and expects to receive proposals from interested parties with a view to a transaction which maximizes the value available to all Bresea Shareholders. Although there can be no assurance, the Interim Receiver believes that a financially superior offer may well emerge from the process currently underway. Rather than tendering to the Offer, Bresea Shareholders should wait to see if other offers or alternative transactions develop.

Solicitation Fee

MacDonald will pay a soliciting fee of $0.02 per Common Share tendered, taken up and paid for by MacDonald to registered dealers and other entitled recipients of a fee for soliciting Bresea shares tendered to the Offer. If all Common Shares are tendered to the Offer, this fee would represent approximately 4.3% of Bresea's net book value (approximately 6.5% of Bresea's net book value after the Settlement Agreement is effected).

Without raising additional capital, MacDonald does not, based on the financial statements for the year ended August 31, 2000, have sufficient funding to pay the solicitation fee (equal to approximately $1,300,000 if all

Common Shares are tendered to the Offer), as described in the Circular. If debt is incurred to pay the solicitation fee, it will have a dilutive effect on Bresea Shareholders.

FINANCIAL ADVISORS

The Interim Receiver has retained Yorkton Securities Inc., an Investment banking and brokerage firm, to act as Financial Advisor to Bresea and to assess, among other things, the Offer (including the adequacy or inadequacy of the consideration proposed to be paid pursuant to the Offer to the holders of Common Shares), and the strategic alternatives available to Bresea.

SHAREHOLDERS' ADVISORY COMMITTEE

The Shareholders' Advisory Committee, created by an order of the Court of Queen's Bench of Alberta on July 21, 1999, was mandated, amongst other things, to advise the Interim Receiver regarding the business and affairs of Bresea and to advise the Interim Receiver in the event of a take-over bid for the Common Shares. On December 21, 2000, the Interim Receiver sought and obtained the December Order which, among other matters, provides that, where possible, the Interim Receiver will obtain and consider the views of the Shareholders' Advisory Committee prior to exercising certain powers or undertaking certain action. See "Background to the Offer".

The Interim Receiver has considered the views of the Shareholders' Advisory Committee in assessing the Offer and the strategic alternatives available to Bresea.

NON-ACCEPTANCE OF THE OFFER

The Interim Receiver has made reasonable inquires of any person or company holding more than 10% of any class of equity securities of Bresea and any person or company acting jointly or in concert with Bresea, and all such persons or companies, together with their respective associates, have indicated their intention to not accept the Offer.

DIRECTORS AND SENIOR OFFICERS OF BRESEA AND OWNERSHIP OF SECURITIES

Bresea has no directors or senior officers. After reasonable inquiry by the Interim Receiver, the only persons or companies holding, or exercising control or direction over, more than 10% of the Common Shares or persons or companies acting jointly or in concert with Bresea, are as follows:

		Securities of Bresea Owned Directly or Indirectly	
Name	**Position(s) with Bresea**	**Number of Securities Held**	**Percentage of Securities Held**
Bre-X Trustee	N/A	8,000,000	12.2
Walsh Estate[1]	N/A	8,600,000	13.1

(1) Further, Jeanette Walsh and the Walsh Foundation own 2,500,000 and 1,335,000 Common Shares, respectively.

As at the date hereof, the issued capital of Bresea consists of 65,518,370 Common Shares.

OWNERSHIP OF SECURITIES OF OFFEROR

Neither Bresea nor, to the knowledge of the Interim Receiver after reasonable inquiry, any person or company holding more than 10% of any class of equity securities of Bresea or any person or company acting jointly or in concert with Bresea, at the date hereof, owns, directly or indirectly, or exercises control or direction over, any securities of any class of the Offeror.

RELATIONSHIP BETWEEN THE OFFEROR AND THE DIRECTORS AND SENIOR OFFICERS OF BRESEA

As there are no directors or senior officers of Bresea, there are no arrangements or agreements made or proposed to be made between the Offeror and any of the directors or senior officers of Bresea pursuant to which a payment or other benefit is to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if the Offer is successful. Likewise, no directors or senior officers of the Offeror or of any subsidiary or affiliate of the Offeror are directors or senior officers of Bresea.

To the knowledge of the Interim Receiver, no special contract, arrangement or understanding, formal or informal, has been made or proposed to be made between the Offeror and any Bresea Shareholder with respect to the Offer.

AGREEMENTS BETWEEN BRESEA AND ITS DIRECTORS AND OFFICERS

As there are no directors or senior officers of Bresea, there are no arrangements or agreements made or proposed to be made between Bresea and such directors or officers pursuant to which a payment or other benefit is to be made or given by way of compensation for loss of office or as to their remaining in or retiring from office if the Offer is successful.

INTERESTS OF DIRECTORS AND OFFICERS OF BRESEA IN MATERIAL CONTRACTS WITH OFFEROR

As there are no directors or senior officers of Bresea, there can be no interests in material contracts of the Offeror. To the knowledge of the Interim Receiver, no person or company who owns more than 10% of any class of equity securities of Bresea, has any interest in any material contract to which the Offeror is a party.

RECENT TRADING IN SECURITIES OF BRESEA

The Common Shares are not listed and posted for trading on any exchange nor do they trade over-the-counter. The Common Shares were listed on the Montreal Exchange, but were suspended on May 8, 1997 and permanently delisted on November 28, 1997.

The securities regulatory authorities in each of British Columbia and Quebec have issued cease trade orders effective May 22, 1997 and May 23, 1997, respectively, in respect of the Common Shares and as a result the Common Shares cannot be traded in those jurisdictions unless and until the respective cease trade order has been varied to permit the trade or revoked entirely by the appropriate securities regulatory authority.

The Offeror obtained a partial revocation of the cease trade order in British Columbia on December 12, 2000 for the purpose of circulating the Offer and enabling Bresea Shareholders resident in British Columbia to tender to the Offer. **Pursuant to the Order of the British Columbia Securities Commission ("BCSC") partially revoking the cease trade order, the Offeror must make a further application to the BCSC to allow it to take up and pay for any Common Shares tendered by British Columbia residents to the Offer.**

ISSUANCE OF SECURITIES OF BRESEA

No Common Shares or securities convertible into Common Shares have been issued to any director or senior officer of Bresea during the two-year period preceding the date of this Information Circular, as Bresea has not had directors or senior officers during this period.

RIGHTS PLAN

Overview of Rights Plan

On April 26, 1996, Bresea adopted the Rights Plan which was confirmed and ratified by the Bresea Shareholders. Pursuant to the Rights Plan, one Right will be issued in respect of each Common Share issued after April 26, 1996 and prior to the earlier of the Separation Time (being the eighth business day after a bidder has commenced a bid to acquire, or, in certain cases, simultaneously with the acquisition of, other than pursuant to a Permitted Bid (as defined below), 20% or more of the Common Shares) and the Expiration Time (as defined in the Rights Plan). The Rights are not exercisable until the Separation Time.

Eight business days after the occurrence of a "Flip-in Event" (as defined in the Rights Plan, but generally, the acquisition of 20% or more of the Common Shares) each Right, other than Rights held by an Acquiring Person (as defined below) and certain related parties thereto, entitles the registered holder thereof to purchase from Bresea, upon fulfilling the terms of exercise provided in the Rights Plan, including the payment of the relevant exercise price, Common Shares with a market value equal to two times the exercise price of a Right. The initial exercise price of a Right (the "Exercise Price") is subject to certain adjustments as described below.

Terms of the Rights Plan

Trading of Rights

The Rights Plan provides that, until the Separation Time, the Rights will not be exercisable. Further, each Right will be transferable together with the associated Common Share, and each Right will be evidenced by the certificate for the associated Common Share. Until the Separation Time (or earlier expiration or waiver of the Rights), the surrender or transfer of any certificates representing outstanding Common Shares will also constitute the surrender or transfer of the Rights associated with such Common Shares. Following the Separation Time, separate certificates evidencing the Rights (the "Rights Certificates") may be mailed to holders of record of Common Shares as at the Separation Time, whereupon the separate Rights Certificates would evidence the Rights.

Separation Time

The Rights will separate and trade separately from the Common Shares after the Separation Time. If a take-over bid that is not a Permitted Bid or Competing Permitted Bid (as defined below) is commenced or the intention to make such a bid is announced, and prior to the close of business on the eighth business day after the take-over bid expires or is cancelled, terminated or otherwise withdrawn, it shall be deemed, for the purposes of determining the Separation Time not to have been made. Where a take-over bid that is not a Permitted Bid or a Competing Permitted Bid is withdrawn after the Separation Time, the board of directors of Bresea may elect to redeem all the outstanding Rights at a price of $0.0001 per Right. Upon such redemption occurring the Rights Plan continues in effect as if the Separation Time had not occurred and Rights certificates representing the number of Rights held by each holder of record of Common Shares at the Separation Time had not been mailed to each such holder.

Acquiring Person

Under the Rights Plan, an "Acquiring Person" is a person who Beneficially Owns 20% or more of the Common Shares subject to certain specific exceptions. The term "Acquiring Person" does not include:

1. Bresea or, in certain cases and subject to certain conditions, any corporation or other person controlling or controlled by Bresea;

2. any person who becomes the Beneficial Owner of 20% or more of the Common Shares as a result of one or a combination of:

    (i) an acquisition or redemption by Bresea of Common Shares which, by reducing the number of Common Shares outstanding, increases the percentage of Common Shares Beneficially Owned by a person to 20% or more;

    (ii) acquisitions of Common Shares made pursuant to a Permitted Bid or a Competing Permitted Bid;

    (iii) an acquisition of Common Shares in respect of which the board of directors of Bresea has waived the application of the Rights Plan; or

    (iv) an acquisition of Common Shares on the same *pro rata* basis as all other holders of Common Shares;

3. an underwriter or member of a banking or selling group that becomes the Beneficial Owner of 20% or more of the Common Shares in connection with a *bona fide* distribution to the public of securities of Bresea; or

4. a person who was the Beneficial Owner of more than 20% of the Common Shares as at the Record Time, subject to certain restrictions.

If a person referred to in 2 above subsequently becomes the Beneficial Owner of additional Common Shares, other than pursuant to a transaction referred to in 2, upon the date of the acquisition of additional Common Shares, such person shall become an Acquiring Person, if such person then owns in excess of 20% of the outstanding Common Shares. Reference should be made to the Rights Plan for the meaning of the terms "Beneficially Own", "Beneficial Ownership" and "Beneficial Owner".

Permitted Bid and Competing Permitted Bid

The Rights Plan provides that Permitted Bids and Competing Permitted Bids are Take-over Bids (as defined in the Rights Plan) made in compliance with all applicable securities laws and regulations The Rights Plan provides that a Permitted Bid is a Take-over Bid made by way of a take-over bid circular and also:

1. is made for all outstanding Common Shares and to all holders of Common Shares, wherever resident;

2. the person making the Take-over Bid does not Beneficially Own more than 10% of the outstanding Common Shares and does not become the owner of additional Common Shares prior to the close of business on the expiry of the Permitted Bid;

3. the Take-over Bid contains an irrevocable and unqualified provision that Common Shares may be deposited to the Take-over Bid and may be withdrawn and that no Common Shares shall be taken up and paid for at any time prior to the close of business on a date which is 90 days following the making of the Take-over Bid and only if at such time more than 50% of the Common Shares held by Bresea Shareholders who are independent of the offeror shall have been deposited to the Take-over Bid and not withdrawn; and

4. the Take-over Bid contains an irrevocable and unqualified provision that in the event that on the date on which Common Shares may be taken up and paid for, more than 50% of the Common Shares held by Bresea Shareholders independent from the offeror shall have been deposited to the Take-over Bid and not withdrawn, the offeror will make a public announcement of the fact that the Take-over Bid will remain open for not less than 15 calendar days from the date of such announcement.

The Rights Plan provides that a Competing Permitted Bid is a take-over bid that is made while another Permitted Bid is in existence and that satisfies all of the provisions of a Permitted Bid, except that it must remain open for acceptance until the first to occur of: (A) the date on which Common Shares may be taken up under the Permitted Bid; and (B) 90 days following the date of the Competing Permitted Bid. The reduction in the time for acceptance of a Competing Permitted Bid is to allow, as nearly as possible, all take-over bids to be dealt with by the Bresea Shareholders within the same time-frame.

Flip-in Event

In the event that a person becomes an Acquiring Person pursuant to a transaction (such event being a "Flip-in Event"), then each Right (subject to certain exceptions) shall, 8 business days after the acquisition date with respect to such event, entitle the Bresea Shareholders to purchase, at the Exercise Price, that number of Common Shares having an aggregate market price equal to twice the Exercise Price. Rights held by an Acquiring Person, an affiliate or associate thereof or any person acting jointly or in concert with any of the foregoing, shall be void. In addition, Rights held by transferees from an Acquiring Person, an affiliate or associate thereof or any person acting jointly or in concert with any of the foregoing, shall also become void where:

1. the transfer occurred concurrently with or subsequent to the Acquiring Person becoming such; and

2. the board of directors of Bresea determined that the transfer was part of a plan of an Acquiring Person or an affiliate or associate thereof, or any person acting jointly or in concert with any of the foregoing, that has the purpose and effect of preventing the voiding of any Rights.

Waiver of Inadvertent Flip-in Event

The board of directors of Bresea may waive the application of the Rights Plan to an inadvertent Flip-in Event, provided that the board of directors of Bresea determines within 8 days of the applicable acquisition date that a person became an Acquiring Person by inadvertence and without any intention to become, or knowledge that he would become, an Acquiring Person, and that such person has, within 10 days after such determination or such earlier or later period as the board of directors of Bresea may determine (the "Disposition Date"), reduced his Beneficial Ownership of Common Shares such that at the time of the granting of a waiver such person is no longer an Acquiring Person or has entered into a contractual arrangement with Bresea, acceptable to the board of directors of Bresea, to do so within 10 days of the date on which such contractual arrangement is entered into or such later date as the board of directors of Bresea may determine. If the person remains an Acquiring Person on the Disposition Date, then the Disposition Date will become a new acquisition date.

Effect of Rights Plan on the Offer

The Offer does not constitute a "Permitted Bid" within the meaning of the Rights Plan, and therefore the announcement of the intention of the Offeror to make the Offer will result in the Rights becoming exercisable, unless the Interim Receiver exercises its discretion to delay the exercise of the Rights (unless the Rights have already become exercisable). In addition, if the Offeror takes up and pays for Common Shares pursuant to the Offer and, as a result, acquires 20% or more of the Common Shares, such event will constitute a Flip-in Event and, as a result, each Right will entitle a Bresea Shareholder to purchase from Bresea, upon fulfilling the terms of exercise provided in the Rights Plan, including the payment of the relevant exercise price, Common Shares with a market value equal to two times the exercise price of a Right. It is a condition of the Offer that Bresea shall have redeemed all outstanding Rights or waived the application of the Rights Plan to the purchase of Common Shares by the Offeror under the Offer or that the Offeror is otherwise satisfied that the Rights Plan does not affect the Offer.

MATERIAL CHANGES

The Interim Receiver is not aware of any information that indicates any material change in the affairs of Bresea since September 30, 2000, the date of the last published interim financial statements of Bresea, except as otherwise described or referred to in this Information Circular.

OTHER INFORMATION

There is no other information not disclosed in the foregoing but known to the Interim Receiver which would reasonably be expected to affect the decision of the Bresea Shareholders to accept or reject the Offer.

STATUTORY RIGHTS

Securities legislation in certain of the provinces and territories of Canada provides Bresea Shareholders with, in addition to any other rights they may have at law, rights of rescission or to damages, or both, if there is a misrepresentation in a circular or notice that is required to be delivered to such securityholders. However, such rights must be exercised within prescribed time limits. Bresea Shareholders should refer to the applicable provisions of the securities legislation of their province or territory for particulars of those rights or consult with a lawyer.

APPROVAL OF INFORMATION CIRCULAR

The contents of this Information Circular have been approved and the delivery thereof authorized by the Interim Receiver, with the concurrence of the Shareholders' Advisory Committee.

DATED at Calgary, Alberta, this 2nd day of January, 2001.

PricewaterhouseCoopers Inc., as interim receiver
and manager of Bresea Resources Ltd.

(signed) Kurt P. Bonokoski

Kurt P. Bonokoski
Senior Vice-President

Yorkton Securities Inc.
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Calgary, Alberta
Canada T2P 5E9

Telephone: 403 260-8400
Facsimile: 403 260-7870

December 29, 2000

PricewaterhouseCoopers Inc.
Interim Receiver and Manager of
Bresea Resources Ltd.
Suite 2100, 639-5th Avenue S.W.
Calgary, Alberta T2P 0M9

Dear Sirs:

Yorkton Securities Inc. ("Yorkton") understands that MacDonald Oil Exploration Ltd. ("MacDonald") has made an unsolicited offer (the "Offer") to purchase all the outstanding common shares (collectively the "Common Shares") of Bresea Resources Ltd. ("Bresea") for one unit in MacDonald. Each unit will comprise of five (5) MacDonald common shares and two and one-half (2 ½) MacDonald F-warrants exercisable on or before December 1, 2001 at $0.20. The Offer contains various terms and conditions and is stated to be open for acceptance until 5:00 p.m. (Toronto time) on January 18, 2001, unless extended or withdrawn.

The terms and conditions of the Offer are more fully described in the Offer to Purchase Circular (the "Circular") of MacDonald dated December 11, 2000 and mailed to holders of Bresea Common Shares (the "Bresea Common Shareholders") on or about December 21, 2000.

To assist PricewaterhouseCoopers Inc. ("PWC" or "Interim Receiver"), as the interim receiver and manager of Bresea, in considering the terms and conditions of the Offer, and in making its recommendations in respect thereof, Yorkton has been retained to provided financial advice and our opinion (the "Opinion") as to whether the terms and conditions of the Offer are adequate, from a financial point of view, to Bresea Common Shareholders.

ENGAGEMENT OF YORKTON

Yorkton was engaged by PWC on November 25, 1999 to act as financial advisor to Bresea in respect of reviewing and advising on any unsolicited offer made against Bresea and to assist Bresea in identifying strategic alternatives. The scope of Yorkton's engagement includes, but is not limited to, providing financial advice to PWC in respect of this unsolicited Offer, the adequacy of this Offer, communicating to PWC the results of any analysis and review conducted by Yorkton and, if appropriate, preparing an opinion for delivery to PWC.

Pursuant to the terms of our engagement, we have not been asked to prepare, and have not prepared: a formal valuation of the assets of Bresea or MacDonald; a formal valuation of the Common Shares of Bresea or MacDonald; or an expressed opinion with respect to the form of the Offer itself, and this Opinion should not be construed as such. However, Yorkton has performed financial analysis, which it considers to be appropriate and necessary in the circumstances to support the conclusions reached in this Opinion.

QUALIFICATIONS OF YORKTON

Yorkton is an independent Canadian full-service investment banking firm focused on providing advisory and capital market related services to Canadian Natural Resource and Knowledge Industries. Yorkton's services include institutional and retail research and trading and distribution of equity securities for major Canadian financial institutions, and corporate advisory services in the areas of mergers, acquisitions, divestments, restructurings, valuations and fairness opinions. Yorkton and its principals have been involved in a number of transactions involving valuations of publicly traded Canadian companies and in providing fairness opinions in respect of such transactions.

SCOPE OF REVIEW CONDUCTED BY YORKTON

Yorkton has acted as the financial advisor to PWC in respect of this Offer and certain related matters. In this context, and for the purpose of preparing this Opinion, we have recently analyzed publicly available and confidential financial, operational and other information relating to Bresea, including information derived from discussions with the Interim Receiver and its legal advisors. Additionally, we have analyzed publicly available information regarding MacDonald. Yorkton has not conducted any independent investigations to verify the accuracy and completeness of the information provided to it.

In carrying out this engagement and arriving at our Opinion, we have reviewed and relied upon, among other things:

In the case of Bresea:

i) drafts of the Interim Receivers circular in response to this Offer, up to and including the date hereof to be issued by the Interim Receiver in connection with the Offer;

ii) the audited financial statements of Bresea for the twelve months ending December 31, 1999, 1998, 1997;

iii) the unaudited financial statements of Bresea to the nine months ended September 30, 2000;

iv) all press releases and shareholder communication issued by Bresea since January 1, 2000;

v) the shareholders rights plan agreement between Bresea Resources and Montreal Trust Company of Canada dated April 26, 1996;

vi) the settlement agreement dated October 18, 2000 between the class action plaintiffs in Alberta, Ontario, and the United States against Bresea and BRE – X Minerals Ltd.("Bre-X");

vii) drafts of the notice of the special or annual meeting of shareholders of Bresea scheduled for February 9, 2001;

viii) the first, second, third, and fourth report by PWC as Interim receiver & Manager of Bresea;

ix) the appraisal report dated December 4, 2000 valuing the "Bre-X" building owned by Bresea;

x) discussions with PWC and its legal advisors regarding the class action lawsuits against Bre-X and Bresea; and

xi) other information (including internal documents) which in Yorkton's sole opinion is relevant in determining the adequacy of the Offer.

In the case of MacDonald:

i) the Offer to Purchase Circular dated December 11, 2000;

ii) the Management Information Circular for the Annual and Special Shareholders Meeting for MacDonald to be held on January 12, 2001;

iii) the audited financial statements of MacDonald for the 12 months ended August 31, 2000;

iv) a review of all press releases since June 1, 1999; and

v) a review of all the material contracts made available to Yorkton as described in MacDonalds Circular as of the date hereof.

In addition to the information detailed above, Yorkton has further reviewed, considered and relied upon, among other things, the following:

i) publicly available information and documents filed by or on behalf of, MacDonald in compliance with or intended compliance with applicable securities laws; and

ii) publicly available trading data for MacDonald's common shares from October 2, 2000 through November 15, 2000.

We also conducted such other analyses, investigations, research and testing of assumptions as were deemed by us to be appropriate or necessary in the circumstances.

KEY ASSUMPTIONS AND LIMITATIONS

Yorkton has relied upon, but in accordance with the terms of our engagement, have not independently verified the accuracy or completeness of any of the materials, information, representations, reports and discussions referred to above and this Opinion is conditional upon such accuracy and completeness. Our assumptions, the procedures we adopted and the conclusions and opinions reached by us are dependent, in part, upon the accuracy, completeness and fairness of all such facts and information.

We believe that the analyses and factors considered in arriving at our Opinion are not necessarily amenable to partial analysis or summary description and that selecting portions of the analyses and the factors considered, without considering all factors and analyses together, could create a misleading view of the process employed and the conclusions reached. Any attempt to do so could lead to undue emphasis on any particular factor or analysis.

In our overall analysis, and in connection with the preparation of this Opinion, Yorkton made numerous assumptions with respect to industry performance, general business and economic conditions, the outcome of certain legal litigation and other matters, many of which are beyond the control of Bresea and MacDonald. This Opinion is given as of the date hereof and Yorkton disclaims any undertakings or obligation to advise any person of any change in any fact or matter affecting this Opinion. While in the opinion of Yorkton, the assumptions used in preparing this Opinion are appropriate under the current circumstances, some or all of these assumptions may prove to be incorrect should any new information or information which may be deemed as material in Yorkton's sole opinion become available. This Opinion has been provided to the Interim Receiver of Bresea for its use only and may not be relied upon by any other person without the prior consent of Yorkton.

CONCLUSION AND OPINION

Based upon our analysis, and subject to all of the foregoing, and based upon such other matters as we deem necessary, it is Yorkton's opinion that the exchange of one Bresea share for one MacDonald unit consisting of five (5) common shares and two and one half (2 ½) MacDonald F-warrants is inadequate, from a financial point of view, to the Bresea Common Shareholders.

Yours truly,

Yorkton Securities Inc.

YORKTON SECURITIES INC.

ANY QUESTIONS OR REQUESTS FOR ASSISTANCE CONCERNING THE INFORMATION IN THIS DOCUMENT SHOULD BE DIRECTED TO:

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