UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION

LANE McNAMARA, et al.,	§	
	§	
Plaintiffs,	§	
	§	
v.	§	Civil Action No. 5:97-CV-159
	§	
BRE-X MINERALS LTD., et al.,	§	
	§	
Defendants.	§	
	§	

JOINT MOTION FOR PRELIMINARY APPROVAL
OF PROPOSED SETTLEMENT BETWEEN PLAINTIFFS AND BRESEA

Plaintiffs and defendant Bresea Resources Ltd. ("Bresea") have reached a settlement in this action, which is embodied as part of an Amended and Restated Settlement Agreement ("Settlement Agreement"), restated as of August 23, 2001, and executed in October 2001. Deloitte & Touche, Inc. in its capacity as Trustee of Bre-X Minerals Ltd., ("Deloitte" or the "Bre-X Trustee") and plaintiffs' counsel in certain pending Canadian lawsuits are also parties to the Settlement Agreement, and have thereby agreed to the present motion. A true copy of the Settlement Agreement is attached to the Declaration of Autry W. Ross ("Ross Decl."), as Exhibit A.

Plaintiffs and Bresea respectfully request that the Court issue an order: (a) granting preliminary approval of the Settlement Agreement; (b) conditionally certifying a plaintiff class for purposes of this proposed settlement only; (c) approving forms of notice to class members; and (d) otherwise setting terms and a schedule for the settlement approval process and related matters.

This preliminary approval procedure, including the provisions of the orders requested, is universally accepted as the appropriate mechanism for commencing and effectuating the settlement approval process. *See Manual for Complex Litigation, Third*, § 23.21 (West ed. 1995)

("*Manual Third*"); 2 *Newberg on Class Actions* §§ 11.24-11.32 (3d ed. 1992 & Supp. 2001) ("*Newberg*").

In determining whether preliminary approval is warranted, the sole issue before the Court is whether the proposed settlement provides benefits to the class that are within the range of what might be found fair, reasonable, and adequate, so that notice of the proposed settlement should be given to class members and a hearing scheduled to consider final settlement approval. The Court is not required at this point to make a final determination. As stated in *Manual Third*,

> First, the court reviews the proposal preliminarily to determine whether it is sufficient to warrant public notice and a hearing. If so, the final decision on approval is made after the hearing.

Manual Third defines a court's duty in this situation as follows:

> If the preliminary evaluation of the proposed settlement does not disclose grounds to doubt its fairness or other obvious deficiencies, such as unduly preferential treatment of class representatives or of segments of the class, or excessive compensation for attorneys, and appears to fall within the range of possible approval, the court should direct that notice under Rule 23(e) be given to the class members of a formal fairness hearing, at which arguments and evidence may be presented in support of and in opposition to the settlement. *Id.*, § 30.41, at 237.

The proposed settlement meets the foregoing criteria for notice and is well within the range of what is fair, reasonable, and adequate. Plaintiffs and Bresea, therefore, respectfully request that the Court enter the attached proposed Order for Notice and Hearing in Connection with Settlement with Bresea Resources Ltd. ("Notice Order"), attached to Ross Decl. as Exhibit B.

A. Background of the Settlement

Both Bresea and Bre-X are defendants in this Action as well as in several other stock fraud proceedings brought in Canadian courts.[1] Because the Court is familiar with the proceedings in this matter to date, we will not burden the Court with a recitation of those facts here. However, because the proposed settlement is part of a larger settlement with Bresea and its successor entity, set forth below is a description of the context in which the present settlement is being presented to the Court, and the negotiations leading up to this motion.

On May 8, 1997, shortly after the disclosure of the fraud at Busang, the Court of Queen's Bench of Alberta, Canada (the "Alberta Court") gave Bresea protection under the Companies' Creditors Arrangement Act of Canada and appointed PricewaterhouseCoopers Inc. ("PWC") as Monitor. Bresea remains under the jurisdiction of the Alberta Court and has been reorganized in Canada as the new entity Sasamat Capital Corporation.

On November 5, 1997, Bre-X made an assignment into bankruptcy pursuant to the Bankruptcy and Insolvency Act (Canada) ("BIA"), and Deloitte was appointed Trustee of the Bre-X Estate.

In 2000, settlement discussions began among the Bresea Trustee, PWC as Interim Receiver in the Bresea receivership proceeding, Co-Lead Counsel in this action, class counsel in the

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[1] *See Carom, et al. v. Bre-X Minerals, Ltd., et al., Class Action No. 97-GD-39574 (Ontario Superior Court of Justice) (the Ontario Class Action); Stein, et al. v. Bresea Resources Ltd., et al., Class Action No. 32615 (Ontario Superior Court of Justice) (the Ontario Bresea Action); and Chow, et al. v. Bre-X Minerals Ltd., et al.; Action No. 9701-14434 (Court of*

Ontario Class Action, and plaintiffs' counsel in the Alberta Action. A conditional agreement was reached in October 2000 and amended in January 2001.

Negotiations continued among the parties in 2001. On August 23, 2001, the parties finalized the terms of their agreement**,** and after final documentation, all parties executed the Settlement Agreement in October 2001. With the consent and approval of the Lead Plaintiff and proposed Class Representatives, co-Lead Counsel executed the Settlement Agreement on their behalf.

On August 23, 2001, separate meetings of Bresea's shareholders and creditors were held, at which time both shareholders and creditors voted to approve a proposed Plan of Arrangement (the "Arrangement"), which included the terms of the Settlement Agreement. In connection with the Bresea creditors meeting on August 23, 2001, notice soliciting claims from known claimants against Bresea was provided pursuant to an order of the Court of Queen's Bench of Alberta (the "Alberta Court") dated July 23, 2001. The restated settlement agreement allows for claims to be filed to a date at least 30 days after the date set by this Court for the hearing to consider approval of the Settlement Agreement.

According to the terms of the Arrangement, its completion is conditional on the approval of the Settlement Agreement by those courts with jurisdiction over the claims of Bre-X and Bresea share purchasers, including this Court, the Alberta Court, and the Ontario Court of Justice. On September 26, 2001, the Alberta Court approved the Settlement Agreement and the Arrangement.

Queen's Bench of Alberta) (the Alberta Action).

On October 29, 2001, the Ontario Court granted final approval to the Settlement Agreement, as it applies to class members in the Ontario Class Action.

The Settlement Agreement, generally and as it pertains to the settlement of claims in this action, has been approved by the Lead Plaintiffs and the proposed Class Representatives in this action. *See* Ross Decl. ¶ 17.

B. Summary of the Settlement Terms

In general terms, the Settlement Agreement provides that Bresea will pay $9 million (CDN) to Deloitte, in its capacity as Trustee of the Estate of Bre-X Minerals Ltd., which after the payment of certain expenses, including fees and expenses incurred by shareholder counsel in the U.S. and Canada, will be available for distribution to Bre-X shareholders, both in the U.S. and Canada. In addition, under the terms of the Settlement Agreement, Bresea will create a pool consisting of shares equal to ten percent (10%) of the common equity of reorganized Bresea for the benefit of Bresea shareholders, both in the U.S. and Canada. Finally, the Settlement Agreement provides for a pooling of recoveries obtained from certain insider defendants in this Action, the Ontario Class Action, and the Trustee's Actions, which will be distributed by Deloitte to Bre-X shareholders. Additional details concerning the settlement terms are set forth in the Ross Decl. ¶¶ 4- 10.

C. Summary of Reasons for the Proposed Settlement

The principal advantage of the Settlement Agreement is that it provides significant benefits to defrauded Bre-X and Bresea share purchasers, particularly given Bresea's limited resources. Those benefits include not only the value of the consideration provided in the settlement, but in the case of Bre-X shareholders, the Settlement Agreement also permits their participation in

potentially significant recoveries obtained in other actions. The benefits of the Settlement Agreement are described in greater detail in the Ross Decl. ¶¶ 11 - 16.

D. Request for Preliminary Approval of the Settlement

1. Standard for Preliminary Approval of Settlement Agreements

Fed. R. Civ. P. Rule 23(e) requires that judicial approval must be obtained for a class settlement. "Preliminary approval of a proposed settlement is the first step in a two-step process required before a class action may be settled." *In re NASDAQ Market-Makers Antitrust Litig.,* 176 F.R.D. 99, 102 (S.D. N.Y. 1997). First, the court makes a preliminary evaluation of the fairness of the settlement, prior to notice. *Id.* This initial assessment may be made on the basis of information already known to the court which, if necessary, may be supplemented by briefs, motions, or an informal presentation from the setting parties. *Id.*

"Where the proposed settlement appears to be the product of serious, informed, non-collusive negotiations, has no obvious deficiencies, does not improperly grant preferential treatment to class representatives or segments of the class and falls within the range of possible approval, preliminary approval is granted." *NASDAQ*, 176 F.R.D. at 102. Preliminary approval permits notice to be given to the class members of a hearing on final settlement approval, at which class members and the settling parties may be heard with respect to final approval. *Manual Third* § 23.14.

2. Settlement Agreement Resulted from Strenuous, Arm's Length Negotiations

A proposed settlement is presumed to be fair and reasonable when it is the result of arm's length negotiations. *See Newberg*, § 11.41. The proposed settlement here is the result of arm's length negotiations between class plaintiffs' co-Lead Counsel, counsel for Bresea, and the Bre-X Trustee, as well as counsel for the other Canadian parties. *See* Ross Decl. § 3.

Counsel on all sides are experienced and familiar with the factual and legal issues presented by the litigations and settlement. Courts recognize that the opinion of experienced and informed counsel supporting settlement is entitled to considerable weight. *In re Salomon Inc. Sec. Litig.*, No. 91 Civ. 5442, 1994 U.S. Dist. LEXIS 8038, at *42 (S.D.N.Y. June 15, 1994). Plaintiffs and co-Lead Counsel urge preliminary approval of the Settlement Agreement.

E. Request for Conditional Class Certification for Purposes of Settlement Only

1. Description of Proposed Class

As is the norm in partial settlement situations in which a class has not already been certified, plaintiffs and Bresea seek certification of a class (pursuant to Rule 23(a) and (b)(3) in connection with the proposed settlement.[2] The proposed class consists of:

> All persons who purchased or otherwise acquired Bre-X Minerals Ltd. ("Bre-X") common shares and/or Bresea Resources Ltd. ("Bresea") common shares between May 6, 1993 and May 2, 1997, inclusive (the "Class Period"), and who suffered a loss as a consequence of dealing in shares of Bre-X and/or Bresea (the "U.S. Class").

According to the Settlement Agreement, the certification requested is conditional, and would terminate if the settlement is not carried out. Settlement Agreement § 41. The present request for preliminary certification at this time, so as to enable a notice of pendency and partial settlement to be sent out to class members, is proper and well-recognized. *See Newberg* §§ 11.22, 11.27.

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[2] *The Court's consideration of the present motion should have no effect on the pending and disputed class certification motion covering claims against the non-settling Defendants. The standards for certifying a class for settlement purposes are somewhat more relaxed than for a litigation class (See Newberg, 11.28 & Supp. 2001 at 185-86); and obviously Bresea is joining in, not disputing, the certification sought in*

the present motion and settlement.

The class definition in the proposed settlement is functionally the same as the class definition set forth in the Fourth Amended Class Action Complaint (¶ 93),[3] with the exception that the starting date for the class period in the proposed settlement is earlier than the Complaint's start date (May 6, 1993 vs. January 17, 1994). The reason for this expansion is to conform the class period for this proposed settlement to those alleged in the Canadian proceedings. For purposes of the U.S. Action, the extension is without significance because no public trading occurred in Bre-X or Bresea common stock during this earlier period. In any event, such extensions of class periods in settlements are common and long-accepted. *See Newberg* § 11.27 at 11-48 ff. ("It is common for [settling] defendants to insist, for settlement purposes, that the scope of class claims be expanded or updated").

2. Reasons for Class Certification

Preliminary conditional certification of the class is appropriate here. The usual standards for Rule 23(a) and (b) certification apply in the settlement context, except that possible problems of trial management with respect to the settling defendant are not considered, because the settled case will not be tried. *Amchem Products, Inc. v. Windsor*, 117 S. Ct. 2213, 2239 (1997).

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[3] *The differences are: (a) the class definition in the proposed settlement uses the word shares rather than stock to define the Bre-X and Bresea securities; (b) the proposed settlement uses a more complete statement of what constitutes damages for a class member -- those who suffered a loss as a consequence of dealing in shares of Bre-X and or Bresea ; and (c) the proposed settlement states explicitly the exclusion of Canadian share purchasers who purchased their shares on a Canadian stock exchange, in line with this Court's order dated January 6, 1999. (Dkt. 307)*

Before an action may be certified as a class action, the following requirements of Rule 23(a) must be satisfied. They are in this case, as follows:

Numerosity. There is no issue of numerosity here. Both Bre-X and Bresea have tens of millions of shares outstanding and were actively traded.

Common questions of law and fact. As with most securities fraud cases, plaintiffs allege that class members purchased Bre-X and Bresea shares at artificially inflated prices when defendants were disseminating false and misleading statements and concealing material information. As set forth in the Complaint, Bresea stock closely followed Bre-X's price because of the overlapping shareholdings, and the artificial price inflation therefore affected all class members. There are numerous common questions: Did Bresea disseminate false statements to the investing public false? Were the false statements or omissions material? Did Bresea make the statements with scienter? Are causation requirements met? Because of the impersonal nature of the securities markets, these questions affect the class as a whole. As noted in *Blackie v. Barrack*, 524 F.2d 891, 902 (9th Cir. 1975), "the overwhelming weight of authority holds that repeated misrepresentations of the sort alleged here satisfy the 'common question' requirement." *Accord Longden v. Sunderman,* 123 F.R.D. 547, 553 (N.D. Tex. 1988).

Typicality. This requirement is satisfied where, as here, "each class member's claim arises from the same course of events, and each class member makes similar legal arguments to prove the defendant's liability." *In re Drexel Burnham Lambert Group, Inc.*, 960 F.2d 285, 291 (2d Cir. 1992). Typicality does not require that the interests of the named representatives and the class members be identical. *Phillips v. Joint Legis. Comm. on Performance & Expenditure Rev.*, 637 F.2d 1014 (5th Cir. 1981). Typicality is present here because plaintiffs stand in the same position as other

class members with respect to Bresea as a defendant, because they all purchased stock whose inflated price was caused by the Bre-X fraud. Accordingly, the relevant proof and legal theories as to claims against Bresea are basic to the claims of all class members, and therefore typical.

Adequacy. The adequacy requirement "serves to uncover conflicts of interest between named parties and the class they seek to represent" and ensures that class counsel are qualified, experienced, and able to conduct the litigation. *Amchem,* 117 S. Ct. at 2236; *Sosna v. Iowa,* 419 U.S. 393, 403 (1975). Both prongs of the adequacy test are met here. There is no conflict between plaintiffs and class members because, "so long as all class members are united in asserting a common right, such as achieving the maximum possible recovery for the class, the class interests are not antagonistic for representation purposes." *In re Corrugated Container Antitrust Litig.,* 643 F.2d 195, 208 (5th Cir. 1981). That holds true here. With respect to adequacy of counsel, courts look primarily to the skill and experience of plaintiffs' counsel. *Longden,* 123 F.R.D. at 558. The Court is already familiar with co-Lead Counsel from proceedings in this case, and plaintiffs have already submitted background descriptions in connection with the certification motion now pending.

Rule 23(b)(3), under which the present certification is sought, requires that common questions predominate over individual questions, and that a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

Predominance. This is "a test readily met in certain cases alleging consumer or securities fraud or violations of the antitrust law." *Amchem*, 117 S. Ct. at 2250. The issues of whether Bresea's statements were false and material; whether a linkage existed between Bre-X and Bresea market prices; and Bresea's scienter predominate over any individual liability issues, none of which are apparent.

Superiority. A class action is not only superior, it is as a practical matter the only way to obtain fair and efficient disposition of the claims against Bresea. The alternative to a class action would be thousands of individual, virtually identical cases for each class member. That is precisely "the evil that Rule 23 was designed to prevent." *Califano v. Yamasaki,* 442 U.S. 682, 690 (1979). "[A]ny administrative difficulties in handling this class action are preferable to duplicating judicial resources in several individual lawsuits and denying access to the courts for class members." *In re First RepublicBank Sec. Litig.,* [1989 Transfer Binder] Fed. Sec. L. Rep. (CCH) ¶ 94,554, at 93,549 (N.D. Tex. 1989). Those observations hold true for the case against Bresea.

Manageability. As noted above, the Supreme Court has held that, in analyzing a proposed settlement class, a district court need not inquire whether the case would present "intractable problems of trial management," because no trial will be held. *Amchem,* 117 S. Ct. at 2239. Other aspects of the management of the case against Bresea now concern only the settlement process, which should not be different from settlements in numerous other securities class actions.

The applicable requirements for certification of a preliminary and conditional class, as requested, are fulfilled.

F. Request for Approval of Forms of Notice and Notice Procedures

Rule 23(e) provides that notice of a proposed settlement of a class action must be given to class members "in such a manner as the court directs." The "mechanics of the notice process are left to the discretion of the court subject only to the broad 'reasonableness' standards imposed by due process." *Grunin v. International House of Pancakes,* 513 F.2d 114, 121 (8th Cir. 1975). Here, plaintiffs and Bresea propose to provide actual notice of the settlement to U.S. Bre-X class members and U.S. Bresea class members whose address can be reasonably located. This is the

best notice practicable. *See Zimmer Paper Products, Inc. v. Berger & Montague P.C.*, 758 F.2d 86, 91 (3d Cir. 1985).

The proposed Notice, as agreed upon by plaintiffs and Bresea, is attached to the Notice Order as Exhibit B-1. (*See* Ross Decl. Exh. B-1) In addition, plaintiffs and Bresea have agreed on Proof of Claim forms for both Bresea and Bre-X share purchasers which are attached to the Notice Order as Exhibits B-2 and B-3. (*See* Ross Decl. Exhs. B-2 and B-3) Finally, the settling parties propose publication of the Summary Notice, attached as Exhibit B-4 to the Notice Order, which will help reach any members of the class who may not receive the mailed Notice. (*See* Ross Decl. Exh. B-4)

The proposed Notice and the Summary Notice accurately summarize the settlement and advise class members of their rights. *See In re VMS Sec. Litig.*, 1992 WL 203832, at *3 (N.D. Ill. Aug. 11, 1992) ("Class notice is sufficient if it may be understood by the average class member."); *Manual Third* § 30.212.

G. Request for Final Approval Hearing and Related Matters

As noted above, plaintiffs and Bresea are submitting to the Court with this motion a proposed Notice Order, which will "preliminarily" approve the settlement and provide for notice to the proposed class. (*See* Ross Decl. Exh. B) Plaintiffs and Bresea have also agreed upon a proposed Order and Final Judgment Dismissing Claims Against Defendant Bresea Resources Ltd. Only, for entry if and when the settlement is approved after the final hearing. (*See* Ross Decl. Exh. C) Below we highlight important provisions from both documents.

The proposed Notice Order provides for preliminary conditional certification of the proposed settlement class (¶ 1), and summarizes the reasons under Rule 23 that this certification is

appropriate (¶¶ 2, 3). The fact that the settlement and class certification are conditional upon the stated conditions precedent (including Court approval) is stated in ¶ 13.

The proposed Notice Order also approves the proposed forms of notice and other settlement documents (¶¶ 5, 7), and determines a schedule for notice, the Final Settlement Hearing, and other events. The provisions in the proposed Notice Order are generally accepted in class action settlements. *See Newberg*, ¶ 11.30. The settling parties propose the following schedule:

-- Individual notice shall be mailed on or before November 19, 2001, and summary notice shall be published within ten days thereafter (¶¶ 6, 7);

-- Proofs of claim must be postmarked no later than January 31, 2002 (¶ 9);

-- Opt-out requests must be postmarked no later than December 19, 2001 (¶ 10);

-- Objections and comments as to the proposed settlement must be filed and served in writing on or before December 19, 2001 (¶ 11); and

-- Final Approval Hearing is scheduled for January 4, 2002, or as soon thereafter as may be convenient for the Court (¶ 4).

Plaintiffs and Bresea submit that this proposed schedule allows enough time for notice to reach class members and for the class members to take any appropriate action they desire.

Paragraph 12 of the Notice Order provides that class members and anyone acting on their behalf shall not institute, commence, or prosecute any action which asserts claims against Bresea that are covered by the proposed settlement. Paragraph 14 provides for continuing and exclusive jurisdiction of this Court over matters arising out of or connected with the Settlement Agreement. These provisions are typical for preliminary orders of this type.

The proposed Final Order (*See* Ross Decl. Exh. C), proposed for entry if and when the settlement is approved, contains provisions making the class certification (for the settlement only) final (¶¶ 2, 3); ratifies the notice procedures described above (¶ 4); approves the settlement as fair,

reasonable, and adequate (¶ 5) and dismisses Plaintiffs' complaint against Bresea (¶ 6); awards costs and expenses as described above (¶ 7) (attorney fees are not being sought in connection with this settlement); and enters the judgment pursuant to Rule 54, a common provision which requires any appeals in the case to be instituted and resolved promptly.

There are no unusual terms in these proposed orders. Plaintiffs and Bresea submit that they are appropriate for use by the Court in connection with this settlement.

H. Non-Settling Defendants Lack Standing to Be Heard on the Present Motion

If the non-settling defendants continue their pattern of prolonged motion practice over every issue that arises in this case, they will attempt to object to this settlement, either at this preliminary stage or later, in the hope of preventing plaintiffs from obtaining the benefit from the settlement.

However, the non-settling defendants lack standing even to assert or be heard on any such objection. Courts universally recognize the rule stated in *Newberg*:

> [N]on-settling defendants in a multiple defendant litigation context have no standing to object to the fairness or adequacy of the settlement by other defendants, but they may object to any terms that preclude them from seeking indemnification from the settling defendants. Non-settling defendants also have standing to object if they can show some *formal* legal prejudice to them, apart from loss of contribution or indemnity rights.

Newberg § 11.55 at 11-134. *See also Agretti v. ANR Freight Sys., Inc.*, 982 F.2d 242, 246-48 (7th Cir. 1992) ("Mere allegations of injury in fact or tactical disadvantage as a result of a settlement simply do not rise to the level of plain legal prejudice.").

In many cases in which non-settling defendants seek to object to a partial settlement, there has been extensive analysis of whether the exceptions to the rule -- prejudicial contribution bars or other possible forms of "formal legal prejudice" to the non-settling defendants -- are present. This has been analyzed with respect to "bar order" provisions contained in the settlement agreement, breaches of joint defense agreements or confidentiality agreements, or interference with contract. *See Newberg* § 11.55 at 11-136 and nn. 318-19.

Non-settling defendants here cannot conceivably assert that any exceptions to the general no-standing rule apply. Most notably, *the Settlement Agreement does not contain any provisions whatsoever for bar orders*. The only provision in the settlement relating to contribution rights will be the bar order expressly required by the PSLRA, 15 U.S.C. § 78u-4(f)(7) (requiring entry of a PSLRA bar order eliminating contribution claims arising out of the action both by and against a "settling covered person") (That provision operates in conjunction with § 78u-4(f)(7)(B), which requires proportionate reduction of any judgment against non-settling defendants.)

The inclusion or operation of a PSLRA bar order in a partial settlement does not, as a matter of law, constitute formal legal prejudice to a non-settling defendant. *In re Rite Aid Corp. Sec. Litig.*, 146 F. Supp. 2d 706, 725-26 (E.D. Pa. 2001). Putting aside the issue of bar orders, there does not appear to be any even arguable basis for non-settling defendants to assert any other possible formal legal prejudice to them.

Accordingly, non-settling defendants lack standing to object to this settlement. Plaintiffs and Bresea highlight this point because, as plaintiffs and Bresea have informed the Court**,** there is urgency to the settlement process here due to the current financial pressures upon Bresea.

Conclusion

For the foregoing reasons, plaintiffs and Bresea respectfully request that this Court issue an order: (a) granting preliminarily approval of the proposed settlement; (b) conditionally certifying a plaintiff class for purposes of this proposed settlement only; (c) approving forms of notice to class members; and (d) otherwise setting terms and a schedule for the settlement approval process and related matters.

Dated: November 2, 2001

Respectfully submitted,

_____

_____

Damon Young
State Bar No. 22176700
John M. Pickett
Young, Pickett & Lee
4122 Texas Boulevard
Texarkana, Texas 75504
(903) 794-1303

R. Paul Yetter
State Bar No. 22154200
Autry W. Ross
Yetter & Warden, L.L.P.
600 Travis, Suite 3800
Houston, Texas 77002
(713) 238-2000

Attorney-in-Charge for Plaintiffs

Charles Edward Miller
State Bar No. 14062000
A. Paul Miller
State Bar No. 14056050
Miller, James, Miller & Hornsby
1012 Olive
Texarkana, Texas 75501
(903) 794-2711

H. Lee Godfrey
State Bar No. 08054000
Charles R. Eskridge, III
James T. Southwick
Susman Godfrey L.L.P.
1000 Louisiana, Suite 5100
Houston, Texas 77002
(713) 651-9366

Lead Counsel for Plaintiffs

Of Counsel:

Michael C. Spencer
U. Seth Ottensoser
Milberg Weiss Bershad Hynes & Lerach LLP
One Pennsylvania Plaza, 49th Floor
New York, New York 10119
(212) 594-5300

Steven J. Toll
Matthew J. Ide
Cohen Milstein Hausfeld & Toll, P.L.L.C
West Tower, Suite 500
1100 New York Ave., N.W.
Washington, DC 20005-3964
(202) 408-4600

Mark C. Gardy
James S. Notis
Abbey, Gardy & Squitieri, LLP
212 East 39th Street
New York, New York 10016
(212) 889-3700

Jeffrey G. Smith
Ira P. Lustbader
Wolf Haldenstein Adler Freeman & Herz LLP
270 Madison Avenue
New York, New York 10016
(212) 545-4600

Certificate of Conference

Counsel for the parties have discussed the subject of this motion and have not been able to agree on the relief requested. Defendants oppose this motion.

Certificate of Service

I hereby certify that on this _____ day of November, 2001, a copy of the foregoing was served on the following lead counsel for defendants by facsimile, hand-delivery, or overnight mail:

Linda L. Addison
Fulbright & Jaworski, L.L.P.
1301 McKinney, Suite 5100
Houston, Texas 77010-3095
Counsel for Defendant Bresea Resources Ltd.

D. Stuart Meiklejohn
Sullivan & Cromwell
125 Broad Street
New York, New York 10004
Counsel for Defendant Rolando C. Francisco

Johnny P. Arnold
1405 College Dr.
Texarkana, Texas 75503-3533
Counsel for Defendant Paul Kavanagh

David J. Beck
Beck, Redden & Secrest, L.L.P.
1221 McKinney, Suite 4500
Houston, Texas 77010-2010
Counsel for Defendants Kilborn Engineering Pacific Ltd. and P.T. Kilborn Pakar Rekayasa

Mark Wegener
Howrey Simon Arnold & White, L.L.P.
1299 Pennsylvania Avenue, NW
Washington, DC 20004
Counsel for Barrick Gold Corporation

John R. Mercy
Mercy, Carter & Elliott, L.L.P.
1730 Galleria Oaks Dr.
Texarkana, Texas 75503
Counsel for Defendant John B. Felderhof

Gary D. Grimes
Grimes & Craytor
8 Woodmont Crossing St.
Texarkana, Texas 75503
Counsel for Defendant Hugh C. Lyons

Lawrence J. Portnoy
Davis Polk & Wardwell
450 Lexington Avenue
New York, New York 10017
Counsel for Defendant J.P. Morgan Securities, Inc.

Daniel R. Murdock
Winston & Strawn
200 Park Avenue
New York, New York 10166-4193
Counsel for Defendant Nesbitt Burns Inc.

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Autry W. Ross

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION

LANE McNAMARA, et al.,	§	
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Plaintiffs,	§	
	§	No. 5-97-CV-159
22.	§	(Jury)
	§	
BRE-X MINERALS LTD., et al.,	§	
	§	
Defendants.	§	

DECLARATION OF AUTRY W. ROSS

1. My name is Autry W. Ross. I am a partner with the law firm of Yetter & Warden, L.L.P., co-Lead Counsel for plaintiffs. I offer this declaration is support of the Joint Motion for Preliminary Approval of Proposed Settlement Between Plaintiffs and Bresea. Unless otherwise indicated, I have personal knowledge of the facts contained herein.

2. Attached hereto as Exhibit A is a true and correct copy of the Amended and Restated Settlement Agreement ("Settlement Agreement"). By the Settlement Agreement, the parties thereto intend to resolve all claims and actions against Bresea relating to Bre-X which Bre-X and past and present Bre-X and Bresea shareholders may have and all claims and actions against Bre-X which Bresea may have. As representative of Lead Plaintiffs and proposed Class Representatives in this Action, co-Lead Counsel executed the Settlement Agreement on or about October 11, 2001.

3. The Settlement Agreement is the result of prolonged, intense, and often acrimonious negotiations with Bresea and its counsel, Deloitte in its capacity as Trustee for the Estate of Bre-X Minerals Ltd. and its counsel, and counsel for Canadian Bre-X and Bresea shareholders. These discussions began in early 2000, resulting in a conditional agreement in October

2000. Negotiations then continued in 2001, with final documentation concerning the terms of the settlement completed in October 2001.

The Terms of the Settlement Agreement

4. The Settlement Agreement confers significant benefits on class members who purchased Bre-X common stock during the Class Period and suffered a loss ("U.S. Bre-X Class Members") and class members who purchased Bresea common stock during the Class Period and suffered a loss ("U.S. Bresea Class Members").

5. The Settlement Agreement also provides benefits to certain purchasers of Bre-X and Bresea common stock who have brought actions in Canadian courts. These actions include a class action brought in the Ontario Superior Court of Justice on behalf of purchasers of Bre-X common stock known as *Carom, et al. v. Bre-X Minerals Ltd., et al.*, Class Action No. 97-GD-39574; a class action brought in the Ontario Superior Court of Justice on behalf of purchasers of Bresea common stock known as *Stein, et al. v. Bresea Resources Ltd., et al.*, Class Action No. 32615 (the "Ontario Bresea Action"); and an action brought by Bre-X and Bresea shareholders in the Court of Queen's Bench of Alberta (the "Alberta Court") known as *Chow, et al. v. Bre-X Minerals, Ltd., et al.*, Action No. 9701-14434 (the "Alberta Action").

6. The completion of the Settlement is conditional on its approval by those courts with jurisdiction over the claims of Bre-X and Bresea share purchasers, including this Court, the Alberta Court (which supervises the Bresea receivership proceeding), and the Ontario Court of Justice, which has jurisdiction over the Ontario Class Action. On September 26, 2001, the Alberta Court approved the Settlement Agreement. On October 29, 2001, the Ontario Court of Justice granted final approval to the Settlement Agreement.

7. Pursuant to the Settlement Agreement, a settlement fund consisting of $9 million (CDN) in cash (the "Settlement Fund") will be established for the benefit of U.S. Bre-X Class Members and class members in the Ontario Class Action. Also pursuant to the Settlement Agreement, a pool consisting of shares equal to ten percent of the common equity of reorganized Bresea will be established for the benefit of U.S. Bresea Class Members; class members of the Ontario Bresea Action; class members who opt out of the Ontario Class Action; and U.S. class members who opt out of this settlement.

8. The Settlement Fund of $9 million (CDN) will be paid to the Bre-X Trustee, Deloitte, who will first set aside and hold certain amounts from the Settlement Fund, including funds for the payment of legal fees, costs, and disbursements incurred by co-Lead Counsel and class counsel in the Ontario Class Action, and a reserve for any future award of court costs. Deloitte will thereafter use the balance of the Settlement Fund for purposes of the Bre-X bankruptcy administration and the pursuit of certain lawsuits being prosecuted for the benefit of Bre-X shareholders by Deloitte in its capacity as Trustee (the "Trustee's Actions"). Deloitte will then distribute on a pro rata basis the remaining balance of the Settlement Fund up to $7 million (CDN) to U.S. Bre-X Class Members and to class members in the Ontario Class Action. According to counsel for the Bre-X Trustee, any residue of the Settlement Amount over and above $7 million (CDN) will likewise be available for distribution to U.S. Bre-X Class Members and class members of the Ontario Class Action, pursuant to operation of Canadian bankruptcy law, provided the residue of the Settlement Fund is not used up entirely for the purposes of bankruptcy administration and litigation expenses.

9. Co-Lead Counsel intend to apply for an award of past and future costs and expenses in the amount of $750,000 (CDN) (or approximately US$470,000) from funds set aside by Deloitte from the Settlement Fund for the payment of legal fees, costs, disbursements, and taxes. Co-Lead Counsel will not seek an award of fees from the funds so set aside by Deloitte, nor will co-Lead Counsel apply for any fee or costs award from the pool of shares contributed by Bresea for the benefit of U.S. Bresea Class Members.

10. Also as part of the Settlement Agreement, any monies recovered in the U.S. Class Action, the Ontario Class Action, and the Trustee's Actions by judgment, settlement or otherwise from certain individual defendants (the Estate of David G. Walsh, Jeanette Walsh, John B. Felderhof, Rolando C. Francisco, Hugh C. Lyons, T. Stephen McAnulty, John D. Thorpe, Bryan A. Coates, and Paul Kavanagh) (the "Common Insider Defendants") will be paid to Deloitte. U.S. Bre-X Class Members and class members in Ontario Class Action will thereafter share on a pro rata basis in such recoveries which remain after the payment of disbursements, taxes, and legal fees incurred in the U.S. Class Action and the Ontario Class Action, as well as bankruptcy administration expenses.

Reasons for the Proposed Settlement

11. The principal reason for the settlement is the benefit it provides to the U.S. Bre-X Class Members and U.S. Bresea Class Members. This benefit must be compared to the risk that no recovery might be achieved, in light of Bresea's financial condition.

12. Bresea, which is under the supervision of the Alberta Court, currently has approximately $29 million (CDN) in total assets, according to counsel for PricewaterhouseCoopers Inc., who acts as Bresea's Interim Receiver. Additional information from counsel for the Interim Receiver and information from class counsel in the Ontario Class Action indicate that the costs to

Bresea to continue defending the U.S. Class Action and the Ontario Class Action would consume a substantial portion of these assets. In that regard, Bresea's Interim Receiver has obtained an estimate from Bresea's U.S. counsel of $7.8 million (CDN) to defend the U.S. Class Action. According to class counsel in the Ontario Class Action, the costs to Bresea to defend the Ontario Class Action will be approximately $4 million (CDN). In addition, the Alberta Court has authorized the Bresea Board of Directors to spend as much as $150,000 (CDN) per quarter for business expenses. Assuming therefore that the trial in this Action and any appeals therefrom will not be completed for two years, the business costs incurred by Bresea in the interim could be as much as $1.2 million (CDN).

13. Based on these estimates, if the litigation continues, an estimated $13 million (CDN) of Bresea's total asset base of $29 million (CDN) could be spent in defending this action and the Ontario Class Action, as well as on continuing business expenses. (i.e., $7.8 million (CDN) for legal fees and expenses in the U.S. Class Action, plus $4 million (CDN) to defend the Ontario Class Action, plus $1.2 million (CDN) for business expenses, representing a total of $13 million (CDN)). After trials in both the U.S. Class Action and the Ontario Class Action, therefore, a maximum of only $16 million (CDN) would be available to satisfy the claims of Bre-X shareholders. (i.e., total assets of $29 million (CDN) less $13 million (CDN) in litigation fees and expenses and business expenses). Considered in this light, the recovery on behalf of Bre-X shareholders represents approximately 56% of those assets that would be available to Bresea after trial (i.e., settlement proceeds of $9 million (CDN) divided by post-trial assets of $16 million (CDN)).

14. Because U.S. Class Members and Ontario Class Members are disputed creditors, there is also a substantial risk that Bresea's current board of directors could oust the Interim Receiver and take direct control of Bresea's $29 million (CDN) in assets (most of which are

highly liquid), resulting in dissipation of any potential recovery if Bresea should subsequently suffer investment or operating losses.

15. The Settlement Agreement further benefits U.S. Bre-X Class Members by allowing them to participate in recoveries, less fees and expenses, obtained in the Trustee's Actions and in the Ontario Class Action. The Trustee is currently pursuing actions against assets belonging to the Estate of David G. Walsh in the Bahamas and against assets belonging to John B. Felderhof in the Cayman Islands. While, like any other litigation, the successful outcome of these lawsuits cannot be guaranteed, co-Lead Counsel believe that these lawsuits represents a potentially valuable opportunity for U.S. Bre-X Class Members to participate in significant recoveries. In addition, the Ontario Class Action may afford a better means of obtaining recoveries from certain of the Common Insider Defendants who may intend to request a Canadian court of competent jurisdiction to declare that any judgment rendered against them by this Court is null and void by reason of lack of personal jurisdiction.

16. For many of the same reasons described above, the Settlement Agreement will also benefit U.S. Bresea Class Members. The fact that Bresea has limited assets, and the possibility that those assets could be materially dissipated, pose significant risks to U.S. Bresea Class Members.

Approval of Lead Plaintiffs and Proposed Class Representatives

17. Lead Plaintiffs Jean Messmer, Mark Scheuerman, and proposed Lead Plaintiff Marc A. Lieberman (in his capacity as a duly appointed representative of the estate of his father, the late Dr. Melvyn B. Lieberman, who served as a Lead Plaintiff in this action), have approved the Settlement Agreement, both generally and as it pertains to the settlement of claims in this action.

Likewise, proposed Class Representatives Carole Braden and Jack W. Ward have approved the Settlement Agreement, both generally and as it pertains to the settlement of claims in this action.

Settlement Documents

18. Attached hereto are the following documents related to the settlement between Plaintiffs and Bresea:

Exhibit B	Order for Notice and Hearing in Connection with Settlement with Bresea Resources Ltd.
Exhibit B-1	Notice of Pendency of Class Action and Hearing on Proposed Settlement with Bresea Resources Ltd. and Attorneys' Costs and Expenses Petition and Rights to Share in Settlement Funds
Exhibit B-2	Proof of Claim for Bresea Shares
Exhibit B-3	Proof of Claim for Bre-X Shares
Exhibit B-4	Summary Notice of Pendency of Class Action, Proposed Settlement with Bresea Resources Ltd. and Settlement Hearing
Exhibit C	Order and Final Judgment Dismissing Claims Against Defendant Bresea Resources Ltd. Only

I declare under penalty of perjury that the foregoing is true and correct to the best of my belief.

_____

Autry W. Ross

November 2, 2001

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION

LANE McNAMARA, et al.,	§	
Plaintiffs,	§	
v.	§	Civil Action No. 597CV159
	§	
BRE-X MINERALS LTD., et al.	§	
	§	
Defendants.	§	

ORDER FOR NOTICE AND HEARING IN CONNECTION WITH SETTLEMENT WITH BRESEA RESOURCES LTD.

WHEREAS, on October 11, 2001, Yetter & Warden, as representative of Lead Plaintiffs and proposed Class Representatives in the above-captioned action ("Yetter" or "Co-Lead Counsel"), entered into an Amended and Restated Settlement Agreement (the "Settlement Agreement") with: Deloitte & Touche Inc., as Trustee of the Estate for Bre-X Minerals Ltd. ("Deloitte"); Bresea Resources Ltd. ("Bresea"); Harvey T. Strosberg, Q.C., class counsel in Class Action No. 97-GD-39574 commenced in the Superior Court of Justice for Ontario, Canada (the "Ontario Class Action") ("Strosberg"); Siskind, Cromarty, Ivey and Dowler, counsel on behalf of the plaintiffs in Class Action No. 32615 in the Superior Court of Justice for Ontario, Canada (the "Ontario Bresea Action") ("Siskind"); and Docken & Co., counsel on behalf of the plaintiffs in Action No. 9701-14434 in the Court of Queen's Bench of Alberta, Canada (the "Alberta Action") ("Docken"); and

WHEREAS, pursuant to the Settlement Agreement the parties intend to resolve all claims and actions against Bresea relating to Bre-X which Bre-X and past and present Bre-X and Bresea shareholders may have and all claims and actions against Bre-X which Bresea may have; and

WHEREAS, the above-captioned *McNamara, et al., v. Bre-X Minerals Ltd., et al.* (the "U.S. Class Action") was brought as a class action on behalf of a class consisting of persons who purchased or otherwise acquired Bre-X common stock and/or Bresea common stock during the

period between January 17, 1994 through May 2, 1997, inclusive, and who were damaged thereby; and

WHEREAS, for purposes of the Settlement Agreement the parties consent to the certification of the U.S. Class Action for purposes of the settlement only, on behalf of a class (the "U.S. Class") consisting of:

> persons who purchased or otherwise acquired Bre-X common shares and/or Bresea common shares between May 6, 1993 and May 2, 1997, inclusive, and who suffered a loss as a consequence of dealing in shares of Bre-X and/or Bresea, excluding all persons in Canada who purchased their Bre-X and/or Bresea shares solely on a Canadian stock exchange and excluding all defendants in the U.S. Class Action, members of their immediate family and/or any subsidiary, affiliate, or employee of each of such defendant, any entity in which any excluded person has or had a controlling interest, and the legal representatives, heirs, successors, and assigns of any such excluded person.

"U.S. Bre-X Class Members" are members of the U.S. Class who purchased or otherwise acquired Bre-X common shares during the Class Period. "U.S. Bresea Class Members" are members of the U.S. Class who purchased or otherwise acquired Bresea common shares during the Class Period. U.S. Bre-X Class Members and U.S. Bresea Class Members are sometimes referred to collectively herein as "U.S. Class Members"; and

WHEREAS, the Settlement Agreement, generally provides in parts relevant to the U.S. Class, that:

(i) Bresea shall create a pool of shares representing approximately 10% of the equity of Bresea as reorganized which shall be used to satisfy the claims of persons having claims against Bresea, including, but not limited to U.S. Bresea Class Members who file proofs of claim in accordance with the direction given by Bresea,

(ii) Bresea shall pay $9,000,000 (CDN) to Deloitte (the "Settlement Fund") to be used first generally for costs and fees of litigation and administration, and after payment of such costs and

fees, such remaining funds shall be proportionately distributed among the Ontario Class Members and the U.S. Bre-X Class Members who file proofs of claim in accordance with the direction given by the Alberta Bankruptcy Court in the Bre-X bankruptcy proceeding, and

(iii) Any monies recovered in the Ontario Class Action, in the Trustee Actions[4] and in the U.S. Class Action on behalf of the U.S. Bre-X Class Members by judgment, settlement or otherwise, whether directly or indirectly, from the Estate of David G. Walsh, Jeannette Walsh, John B. Felderhof, Rolando C. Francisco, Hugh C. Lyons, T. Stephen McAnulty, John D. Thorpe, Bryan A Coates and Paul M. Kavanagh (the "Recovered Monies") shall be paid to Deloitte.

WHEREAS, with respect to the U.S. Class Action, it is a condition for the Settlement Agreement to become effective:

(i) that this U.S. Class Action be certified as a class action under Fed. R. Civ. P. 23 for the purposes of settlement only, on behalf of the U.S. Class,

(ii) that this Court approve the completion and performance of the Settlement Agreement, and

(iii) that the claims against Bresea asserted in the U.S. Class Action be dismissed with prejudice;

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[4] The "Trustee's Actions" means collectively, the derivative Action No. 98-CV-145809 in the Ontario Court; Action No. 1998-408 in the Commonwealth of the Bahamas in the Supreme Court, Cause No. 332 of 1997 in the Grand Court of the Cayman Islands, Action No. Q98-35569 in the Republic of the Philippines, Regional Trial court, and any and all other actions which may be brought by Deloitte in the future, but expressly excludes any actions relating to the Channel Islands Trust (which has been concluded).

WHEREAS, the participation of the U.S. Class in the Settlement Agreement is subject to review under Fed. R. Civ. P. 23; and the Court having read and considered the Settlement Agreement, and the accompanying documents; and the parties to the Settlement Agreement having consented to the entry of this Order; and all capitalized terms used herein having the meanings defined in the Settlement Agreement;

NOW, THEREFORE, IT IS HEREBY ORDERED, this _____ day of _____, 2001 that:

1. Pursuant to Fed. R. Civ. P. 23(b)(3), and for the purposes of the Settlement Agreement only, this Action is hereby certified as a class action on behalf of all persons who purchased or otherwise acquired Bre-X common shares and/or Bresea common shares between May 6, 1993 and May 2, 1997, inclusive, and who suffered a loss as a consequence of dealing in shares of Bre-X and/or Bresea, excluding all persons in Canada who purchased their Bre-X and/or Bresea shares solely on a Canadian stock exchange and excluding all defendants in the U.S. Class Action, members of their immediate family and/or any subsidiary, affiliate, or employee of each of such defendant, any entity in which any excluded person has or had a controlling interest, and the legal representatives, heirs, successors, and assigns of any such excluded person.

2. The Court finds that the prerequisites for a class action under Fed. R. Civ. P. 23(a) and (b)(3) have been satisfied in that: (1) the number of U.S. Class Members is so numerous that joinder of all members thereof is impracticable; (2) there are questions of law and fact common to the U.S. Class; (3) the claims of the named representatives are typical of the claims of the U.S. Class Members they seek to represent; (4) the Class Representatives will fairly and adequately represent the interests of the U.S. Class; (5) the questions of law and fact common to U.S. Class Members

predominate over any questions affecting only individual U.S. Class Members; and (6) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

3. Pursuant to F.R.Civ.P. 23, Plaintiffs Carole Braden, Marc Lieberman, Jean Messmer, Mark Scheuerman, and Jack Ward are certified as Class Representatives of the U.S. Class.

4. A hearing (the "Settlement Fairness Hearing") pursuant to Fed. R. Civ. P. 23(e) is hereby scheduled to be held before the Court on _____, 2001, at ___:_____ __.m. for the following purposes:

(a) to finally determine whether this Action satisfies the applicable prerequisites for class action treatment for purposes of the proposed Settlement under Fed. R. Civ. P. 23(a) and (b);

(b) to determine whether the Settlement Agreement is fair, reasonable, and adequate, with respect to the U.S. Class and should be approved by the Court;

(c) to determine whether the Order and Final Judgment should be entered, dismissing the Complaint filed herein as against Bresea only, on the merits and with prejudice;

(d) to consider Co-Lead Counsel's request for an award from the Settlement Fund for the purpose of funding past and future costs and expenses; and

(e) to rule upon such other matters as the Court may deem appropriate.

5. The Court approves the form, substance and requirements of the Notice of Pendency of Class Action, Hearing On Proposed Settlement With Bresea Resources Ltd. and Attorneys' Costs and Expenses Petition and Rights to Share in Settlement Funds (the "Notice"), and the Proof of Claim forms (for both Bresea shares and Bre-X shares) annexed hereto as Exhibits B-1, B-2, and B-3, respectively.

6. The Claims Administrator, under Co-Lead Counsel's supervision, shall cause the Notice and the Proof of Claim forms, substantially in the forms annexed hereto, to be mailed, by first class mail, postage prepaid, on or before _____, 2001, to all members of the U.S. Class who can be identified with reasonable effort. Bresea shall cooperate in making Bresea's transfer records and shareholder information available to Co-Lead Counsel or their agent for the purpose of identifying and giving notice to the U.S. Class. Deloitte shall cooperate in making Bre-X's transfer records and shareholder information available to Co-Lead Counsel or their agent for the purpose of identifying and giving notice to the U.S. Class. The Claims Administrator shall use reasonable efforts to give notice to nominee owners such as brokerage firms and other persons or entities who purchased Bresea and/or Bre-X common stock during the Class Period as record owners but not as beneficial owners. Such nominee purchasers are directed to either forward copies of the Notice and Proofs of Claim to their beneficial owners within seven (7) days of receipt of the Notice, or to provide the Claims Administrator with lists of the names and addresses of the beneficial owners, and the Claims Administrator is ordered to send the Notice and Proofs of Claim promptly to such beneficial owners. Nominee purchasers who elect to send the Notice and Proofs of Claim to their beneficial owners shall send a statement to the Claims Administrator confirming that the mailing was made as directed. Additional copies of the Notice and the Proofs of Claim shall be made available to any record holder requesting such for the purpose of distribution to beneficial owners, and such record holders shall be reimbursed upon receipt by the Claims Administrator of proper documentation, for the reasonable expense of sending the Notices and Proofs of Claim to beneficial owners. Co-Lead Counsel shall, at or before the Settlement Fairness Hearing, file with the Court proof of mailing of the Notice and Proofs of Claim.

7. The Court approves the form of Summary Notice of the pendency of this class action and the proposed settlement in substantially the form and content annexed hereto as Exhibit B-4 and directs that Plaintiffs' Counsel shall cause the Summary Notice to be published in the national edition of *The Wall Street Journal* within ten days of the mailing of the Notice. Co-Lead Counsel shall, at or before the Settlement Fairness Hearing, file with the Court proof of publication of the Publication Notice.

8. The form and method set forth herein of notifying the U.S. Class of the Settlement Agreement and its terms and conditions meet the requirements of Fed. R. Civ. P. 23, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. 78u-4(a)(7) as amended by the Private Securities Litigation Reform Act of 1995, and due process, constitute the best notice practicable under the circumstances, and shall constitute due and sufficient notice to all persons and entities entitled thereto.

9. In order to be entitled to participate in the settlement, in the event the Settlement Agreement is effected in accordance with all of the terms and conditions set forth in the Settlement Agreement, each member of the U.S. Class shall take the following actions and be subject to the following conditions:

(a) A properly executed Proof of Claim with respect to purchases of Bresea common stock during the Class Period (the "Bresea Proof of Claim"), substantially in the form attached hereto as Exhibit B-2, must be submitted to Sasamat Capital Corporation, 1620 - 400 Burrard Street, Vancouver, British Columbia V6C 3A6, Canada, postmarked not later than _____, 2001, or such later date as may be authorized by the Arrangement.

(b) A properly executed Proof of Claim with respect to purchases of Bre-X common stock during the Class Period (the "Bre-X Proof of Claim"), substantially in the form attached hereto as Exhibit B-3, must be submitted to Deloitte & Touche Inc., Suite 3000, Scotia Centre, 700 Second Street, S.W., Calgary, Alberta, Canada T2P 0S7, Attn: Rick Anderson, postmarked not later than _____, 2001, or such later date as may be authorized by Deloitte.

10. U.S. Class Members shall be bound by all determinations and judgments in this Action with respect to the Settlement Agreement, whether favorable or unfavorable, unless such persons request exclusion from the U.S. Class in a timely and proper manner, as hereinafter provided. A U.S. Class Member wishing to make such request shall mail the request in written form by first class mail postmarked no later than _____, 2001 to the address designated in the Notice. Such request for exclusion shall clearly indicate the name and address of the person seeking exclusion, that the sender requests to be excluded from the U.S. Class in *McNamara, et al., v. Bre-x Minerals Ltd. et al.*, Civil Action No. 597CV159, and must be signed by such person. Such persons requesting exclusion are also requested to state: their telephone number and the date(s), price(s), and number(s) of shares of all purchases and sales of Bresea and Bre-X common stock during the Class Period. The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court.

11. The Court will consider comments and/or objections to the Settlement Agreement or Co-Lead Counsel's request for the creation of a fund to reimburse past and future costs and expenses only if such comments or objections and any supporting papers are filed in writing with the Clerk of the Court, United States District Court, Federal Building, 500 State Line Avenue, 3rd Floor, Texarkana, Texas 75501, and copies of all such papers are served, on or before _____, 2001, upon each of the following: H. Lee Godfrey, Esq., Susman Godfrey, L.L.P., 1000 Louisiana,

Suite 5100, Houston, Texas 77002 or R. Paul Yetter, Yetter & Warden, L.L.P., 600 Travis, Suite 3800, Houston, Texas 77002 on behalf of Plaintiffs; and Linda Addison, Fulbright & Jaworski L.L.P., 1301 McKinney, Suite 4300, Houston, Texas 77010-0395, on behalf of Bresea. Attendance at the hearing is not necessary; however, persons wishing to be heard orally in opposition to the approval of the Settlement Agreement and/or the request for reimbursement of Co-Lead Counsel's past and future costs and expenses are required to indicate in their written objection their intention to appear at the hearing. Persons who intend to object to the Settlement Agreement and/or Co-Lead Counsel's request for reimbursement of past and future costs and expenses and desire to present evidence at the Settlement Fairness Hearing must include in their written objections the identity of any witnesses they may call to testify and exhibits they intend to introduce into evidence at the Settlement Fairness Hearing. Members of the U.S. Class do not need to appear at the hearing or take any other action to indicate their approval.

12. Pending final determination of whether the Settlement Agreement should be approved, the Plaintiffs, all U.S. Class Members, and anyone who acts or purports to act on their behalf, shall not institute, commence or prosecute any action which asserts claims settled herein against Bresea.

13. If: (7) any specified condition to the settlement set forth in the Settlement Agreement is not satisfied and the satisfaction of such condition is not waived in writing by Co-Lead Counsel and counsel for Bresea; (8) the Court rejects, in any respect, the Order and Final Judgment Dismissing Claims Against Defendant Bresea Resources Ltd. Only and/or Co-Lead Counsel and counsel for Bresea fail to consent to the entry of another form of order in lieu thereof; (9) the Court rejects the Settlement Agreement, including any amendment thereto approved by Co-Lead Counsel and counsel for Bresea; or (10) the Court approves the Settlement Agreement, including any

amendment thereto approved by Co-Lead Counsel and counsel for Bresea, but such approval is reversed on appeal and such reversal becomes final by lapse of time or otherwise, then, in any such event, the Settlement Agreement, including any amendment(s) thereof, and this Preliminary Order certifying the Class and the Class Representatives for purposes of the settlement shall be null and void, of no further force or effect, and without prejudice to any party, and may not be introduced as evidence or referred to in any actions or proceedings by any person or entity, and each party shall be restored to his, her or its respective position as it existed prior to the execution of the Settlement Agreement.

14. The Court retains exclusive jurisdiction over the Action to consider all further matters arising out of or connected with the Settlement Agreement.

Dated: _____, 2001
Texarkana, Texas

_____
UNITED STATES DISTRICT JUDGE

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION

LANE McNAMARA, et al.,	§	
Plaintiffs,	§	
v.	§	Civil Action No. 597CV159
	§	
BRE-X MINERALS LTD., et al.	§	
	§	
Defendants.	§	

NOTICE OF PENDENCY OF CLASS ACTION AND HEARING ON PROPOSED SETTLEMENT WITH BRESEA RESOURCES LTD. AND ATTORNEYS' COSTS AND EXPENSES PETITION AND RIGHTS TO SHARE IN SETTLEMENT FUNDS

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED BRE-X MINERALS LTD. ("BRE-X") COMMON SHARES AND/OR BRESEA RESOURCES LTD. ("BRESEA") COMMON SHARES BETWEEN MAY 6, 1993 AND MAY 2, 1997, INCLUSIVE (THE "CLASS PERIOD"), AND WHO SUFFERED A LOSS AS A CONSEQUENCE OF DEALING IN SHARES OF BRE-X AND/OR BRESEA (THE "U.S. CLASS").

EXCLUDED FROM THE U.S. CLASS ARE ALL PERSONS IN CANADA WHO PURCHASED THEIR BRE-X AND/OR BRESEA SHARES SOLELY ON A CANADIAN STOCK EXCHANGE.

ALSO EXCLUDED FROM THE U.S. CLASS ARE ALL DEFENDANTS IN THIS ACTION, MEMBERS OF THEIR IMMEDIATE FAMILY AND/OR ANY SUBSIDIARY, AFFILIATE, OR EMPLOYEE OF EACH SUCH DEFENDANT, ANY ENTITY IN WHICH ANY EXCLUDED PERSON HAS OR HAD A CONTROLLING INTEREST, AND THE LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS, AND ASSIGNS OF ANY SUCH EXCLUDED PERSON.

PLEASE READ THIS NOTICE CAREFULLY AND IN ITS ENTIRETY. YOUR RIGHTS WILL BE AFFECTED BY PROCEEDINGS IN THIS ACTION. IF YOU ARE A CLASS MEMBER, YOU ULTIMATELY MAY BE ENTITLED TO RECEIVE BENEFITS PURSUANT TO THE PROPOSED SETTLEMENT DESCRIBED HEREIN.

CLAIMS DEADLINE: CLAIMANTS MUST SUBMIT PROOFS OF CLAIM, ON THE FORMS ACCOMPANYING THIS NOTICE, POSTMARKED ON OR BEFORE _____, 2002.

EXCLUSION DEADLINE: REQUESTS FOR EXCLUSION MUST BE SUBMITTED POSTMARKED ON OR BEFORE _____, 2001.

SECURITIES BROKERS AND OTHER NOMINEES: PLEASE SEE INSTRUCTIONS AT ¶ 61 ___ HEREIN.

SUMMARY OF SETTLEMENT AND RELATED MATTERS

I. Purpose of this Notice

1. This Notice is given pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the Court dated _____, 2001. The purpose of this Notice is to inform you that above-captioned action (the "Action") and the proposed settlement with Bresea will affect the rights of all members of the U.S. Class. This Notice describes rights you may have under the proposed settlement and what steps you may take in relation to this Action. This Notice is not an expression of any opinion by the Court as to the merits of any claims or any defenses asserted by any party in this Action, or the fairness or adequacy of the proposed settlement.

II. Statement of Plaintiff Recovery

2. On or about October 11, 2001, an Amended and Restated Settlement Agreement (the "Settlement Agreement") was entered which provides for a global settlement of all claims asserted against Bresea, not only in the Action for the U.S. Class, but also with respect to certain Canadian actions, including a class action brought in the Ontario Superior Court of Justice on behalf of certain purchasers of Bre-X common stock known as *Carom v. Bre-X Minerals*, Class Action No. 97-GD-39574 (the "Ontario Class Action"); a class action brought in the Ontario Superior Court of Justice on behalf of certain purchasers of Bresea common stock known as *Stein v. Bresea Resources Ltd.*, Class Action No. 32615 (the "Ontario Bresea Action"); and an action brought on behalf of a group of Bre-X and Bresea shareholders in the Queen's Bench of Alberta known as *Chow, et al. v. Bre-X*

Minerals Ltd., et al., Action No. 9701-14434 (the "Alberta Action"). By the terms of the Settlement Agreement, the parties intend to resolve all claims and actions against Bresea relating to Bre-X which Bre-X itself and past and present Bre-X and Bresea shareholders may have and all claims and actions against Bre-X which Bresea may have.

3. Pursuant to the Settlement Agreement, upon the satisfaction of certain conditions precedent described herein, a Settlement Fund consisting of $9 million (CDN) in cash, plus interest, will be established for the benefit of members of the U.S. Class who purchased Bre-X common stock during the Class Period and suffered a loss ("U.S. Bre-X Class Members") and for class members of the Ontario Class Action. Also pursuant to the Settlement Agreement, upon the satisfaction of certain conditions precedent described herein, a pool consisting of shares equal to ten percent (10%) of the common equity of reorganized Bresea (now known as Sasamat Capital Corporation) (the "Pool") will be established for the benefit of members of the U.S. Class who purchased Bresea common stock and suffered a loss ("U.S. Bresea Class Members"); of class members of the Ontario Bresea Action; of class members who opt out of the Ontario Class Action; and of class members who opt out of the U.S. Class.

Bre-X Shareholders

4. This section describes the benefit to be provided to U.S. Bre-X Class Members under the Settlement Agreement.

5. The Settlement Fund of $9 million (CDN) will be paid to Deloitte & Touche Inc., in its capacity as Trustee of the Estate of Bre-X Minerals Ltd. ("Deloitte"), which will first set aside and hold certain amounts from the Settlement Fund, including funds for the payment of legal fees, costs, and disbursements, and a reserve for any future award of court costs, as described more fully herein.

Deloitte will thereafter use the balance of the Settlement Fund for purposes of bankruptcy administration and the pursuit of certain lawsuits being prosecuted for the benefit of Bre-X shareholders by Deloitte in its capacity as Trustee (the "Trustee's Actions"). Deloitte will then distribute on a pro rata basis the remaining balance of the Settlement Fund up to $7 million (CDN) to U.S. Bre-X Class Members and to class members in the Ontario Class Action. Any residue of the Settlement Fund over and above $7 million (CDN) will likewise be available for distribution to U.S. Bre-X Class Members and class members of the Ontario Class Action, pursuant to operation of Canadian bankruptcy law, provided the Settlement Fund is not used entirely for the purposes of bankruptcy administration and litigation expenses.

6. Plaintiffs estimate that there were approximately 112,053,800 shares of Bre-X common stock traded during the Class Period which may have been damaged as a result of the alleged wrongdoing. Assuming, for purposes of example only, that the Settlement Fund in its entirety were available for distribution to U.S. Bre-X Class Members and Ontario Class Members, and assuming that all estimated damaged share purchases were eligible to and did seek recovery from the Settlement Fund, Plaintiffs estimate that the average recovery per damaged share of Bre-X common stock under the Settlement Agreement would approximate $.08 (CDN) per share, prior to any award of fees and expenses to counsel. However, there can be no guarantee that the costs of bankruptcy administration or litigation expenses associated with the Trustee's Actions will not exceed the Settlement Fund, in which case the average recovery per damaged share would be zero. Furthermore, depending on the number of claims submitted, when during the Class Period a U.S. Bre-X Class Member purchased shares of Bre-X common stock, and whether those shares were held

at the end of the Class Period or sold during the Class Period, and if sold, when sold, an individual U.S. Bre-X Class Member may receive more or less than this estimated average amount.

7. As part of the Settlement Agreement, any monies recovered in this Action (the "U.S. Class Action") on behalf of U.S. Bre-X Class Members, the Ontario Class Action, and the Trustee's Actions by judgment, settlement or otherwise from the Estate of David G. Walsh, Jeanette Walsh, John B. Felderhof, Rolando C. Francisco, Hugh C. Lyons, T. Stephen McAnulty, John D. Thorpe, Bryan A. Coates, and Paul Kavanagh (the "Common Insider Defendants") will be paid to Deloitte (the "Recovered Monies"). U.S. Bre-X Shareholders and class members in the Ontario Class Action will thereafter share on a pro rata basis in those Recovered Monies remaining after the payment of disbursements and taxes and legal fees incurred in the U.S. Class Action and the Ontario Class Action. The estimates of average recovery per damaged Bre-X share do not reflect any value for Recovered Monies, which are contingent in any event and have yet to be realized. Nevertheless, the Recovered Monies could be significant.

8. For purposes of the Settlement herein, a U.S. Bre-X Class Member's distribution, as described in paragraphs 5-7 above, will be made in accordance with directions given by the Alberta Bankruptcy Court in the Bre-X bankruptcy proceeding.

Bresea Shareholders

9. This section describes the benefit to be provided to U.S. Bresea Class Members under the Settlement Agreement.

10. Plaintiffs estimate that the average recovery per damaged share of Bresea common stock under the Settlement Agreement is .024 shares of reorganized Bresea per damaged share, calculated on the basis of dividing the number of shares to be distributed from the Pool pursuant to

the Settlement Agreement (approximately 650,000 shares) by the number of damaged Bresea shares during the Class Period (27,351,100 shares). Based on Bresea's total assets on hand at the time of the Settlement Agreement of approximately $29 million (CDN), less the $9 million (CDN) that is being paid towards the Settlement for Bre-X claims, the equity of Bresea is approximately $20 million (CDN) and the Pool shares, which represent ten percent (10%) of the equity, would represent a value of approximately $2.0 million (CDN). Plaintiffs estimate that the recovery of .024 shares of reorganized Bresea per damaged share would represent a recovery equivalent to $.073 (CDN) per damaged share based on the equity value of the shares in the Pool. At the time that the Settlement Agreement was negotiated, the common stock of reorganized Bresea was not trading. The value of the shares of reorganized Bresea stock is not guaranteed by Bresea and may go up or down depending on numerous factors, including market conditions and the operations and prospects of reorganized Bresea (now Sasamat Capital Corporation). In addition, depending on the number of claims submitted, when during the Class Period a U.S. Bresea Class Member purchased shares of Bresea common stock, and whether those shares were held at the end of the Class Period or sold during the Class Period, and if sold, when sold, an individual U.S. Bresea Class Member may receive more or less than these estimated average amounts.

11. For purposes of the Settlement herein, a U.S. Class Member's distribution from the Pool will be governed by the proposed Plan of Arrangement (the "Arrangement") described below at ¶ 37.

III. Statement of Potential Outcome of Case

12. The parties disagreed on both liability and damages and do not agree on the average amount of damages per share that would be recoverable if plaintiffs were to have prevailed on each

claim alleged. The issues on which the parties disagree include (a) the appropriate economic model for determining the amounts by which Bre-X's and Bresea's common stocks were allegedly artificially inflated (if at all) during the Class Period; (b) the amounts by which Bre-X's and Bresea's common stocks were allegedly artificially inflated (if at all) during the Class Period; (c) the effect of various market forces influencing the trading prices of Bre-X's and Bresea's common stocks at various times during the Class Period; (d) the extent to which external factors, such as general market and industry conditions, influenced the trading prices of Bre-X's and Bresea's common stocks at various times during the Class Period; (e) the extent to which the various matters that plaintiffs alleged were materially false or misleading influenced (if at all) the trading prices of Bre-X's and Bresea's common stocks at various times during the Class Period; (f) the extent to which the various allegedly adverse material facts that Plaintiffs alleged were omitted influenced (if at all) the trading prices of Bre-X's and Bresea's common stocks at various times during the Class Period; and (g) whether the statements made or facts allegedly omitted were material or otherwise actionable under the federal securities laws.

13. While risks with respect to proving liability and proving damages exist in any action that must be tried, the Settlement Agreement with Bresea recognizes the realities of the financial condition of this settling defendant. Currently, Bresea, which is under the supervision of the Alberta Court, has approximately $29 million (CDN) in total assets. The costs to Bresea to continue defending the U.S. Class Action and the Ontario Class Action would consume a substantial portion of its assets. Bresea's Interim Receiver has obtained an estimate from Bresea's U.S. counsel of $7.8 million (CDN) to defend the U.S. Class Action. Class Counsel in the Ontario Class Action has estimated that the costs to Bresea to defend the Ontario Class Action will be approximately $4

million (CDN). In addition, Bresea's Board of Directors has been authorized by the Alberta Court to spend as much as $150,000 (CDN) per quarter for business expenses. Assuming that trial in the Action, and any appeals therefrom, will not be completed for at least two years, the administrative costs to operate Bresea in the interim would be approximately $1.2 million (CDN). In addition, because U.S. Class Members and Ontario Class Members are disputed creditors, there is a substantial risk that Bresea's current board of directors could oust the Interim Receiver and take direct control of Bresea's $29 million (CDN) in assets, resulting in dissipation of any potential recovery if Bresea should subsequently suffer operating or investment losses. In summary, continuing the litigation against Bresea is estimated to diminish its assets by $13 million (CDN) over the next two years, with a substantial further risk that even the remaining assets would be dissipated if the Interim Receiver was terminated.

IV. Statement of Attorneys' Costs and Expenses Sought

14. Plaintiffs' Counsel in the U.S. Action ("Co-Lead Counsel") intends to apply for an award of past and future costs and expenses in the amount of $750,000 (CDN) from funds set aside by Deloitte from the Settlement Fund for the payment of legal fees, costs, disbursements, and taxes. Co-Lead Counsel will not seek an award of fees from the funds so set aside by Deloitte, nor will Co-Lead Counsel apply for any fee or costs award on the basis of those Bresea shares contributed to the Pool. The amount that is awarded to Co-Lead Counsel will be used to reimburse Co-Lead Counsel for costs and expenses incurred to date as well as to fund costs and expenses to be incurred in the future in the Action. The requested award by Co-Lead Counsel would amount to an average of $.007 (CDN) per damaged Bre-X share. Co-Lead Counsel also intends to apply for 8.334% of any Recovered Monies remaining after the payment of disbursements and taxes incurred in the U.S. Class Action and the Ontario Class Action. Class counsel in the Ontario Class Action have indicated that they will seek $1.5 million (CDN) from the Settlement Fund and 16.66% from the Recovered Monies for their fees.

V. Further Information

15. Further information regarding the Action and this Notice may be obtained by contacting Co-Lead Counsel: H. Lee Godfrey, Susman Godfrey LLP, 1000 Louisiana, Suite 5100, Houston, TX 77002, R. Paul Yetter, Esq., Yetter & Warden, L.L.P., 600 Travis, Suite 3800, Houston, Texas 77002, telephone (713) 238-2000; or the Claims Administrator, Gilardi & Company, P. O. Box 990, Corte Madera, California 94976-0990, telephone (415) 461-0410.

VI. Reasons for the Settlement

16. The principal reason for the settlement is the benefit to be provided to the U.S. Class. This benefit must be compared to the risk that no recovery might be achieved. As described above, if the litigation continues, $13 million (CDN) of Bresea's total asset base of $29 million (CDN) could be spent in defending the U.S. Class Action and the Ontario Class Action, as well as on continuing administrative expenses. After trials in both the U.S. Class Action and the Ontario Class Action, therefore, a maximum of only $16 million (CDN) would be available to satisfy the claims of Bre-X shareholders. Considered in this light, the recovery obtained on behalf of Bre-X shareholders under the Settlement Agreement represents approximately 56% of those assets that would otherwise be available to Bresea after trial (i.e., settlement proceeds of $9 million (CDN) divided by estimated post-trial assets of $16 million (CDN)). Furthermore, without a settlement, there is a substantial risk that the current management of Bresea may prevail upon the Alberta Court to remove the Interim Receiver, thereby allowing the dissipation of Bresea's assets if Bresea should subsequently suffer operating or investment losses.

17. The Settlement Agreement further benefits U.S. Bre-X Shareholders by allowing them to participate in pro rata distributions from the Recovered Monies, less legal fees and expenses, obtained in the Trustee's Actions and in the Ontario Class Action. The Trustee is currently pursuing actions against assets belonging to the Estate of David G. Walsh in the Bahamas and against assets belonging to John B. Felderhof in the Cayman Islands. While, like any other litigation, the successful outcome of these lawsuits cannot be guaranteed, Co-Lead Counsel believe that the lawsuits represent a valuable opportunity for U.S. Bre-X Class Members to obtain a recoveries where, due to the difficulties of enforcing a U.S. judgment in certain foreign nations, such recoveries might otherwise be doubtful or at least problematic. In addition, the Ontario Class Action may

afford a better means of obtaining recoveries from certain of the Common Insider Defendants who have indicated that they may request a Canadian court of competent jurisdiction to declare than any judgment rendered against them by the U.S. Court is null and void by reason of lack of personal jurisdiction.

18. The Settlement Agreement will also benefit U.S. Bresea Class Members. The fact that Bresea has limited assets, and the possibility that those assets could be materially dissipated, pose significant risks to U.S. Bresea Class Members.

NOTICE OF SETTLEMENT FAIRNESS HEARING

19. NOTICE IS HEREBY GIVEN, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court for the Eastern District of Texas, Texarkana Division (the "Court") dated _____, 2001, that a hearing will be held before the Honorable David J. Folsom in the U.S. Courthouse, 500 State Line Avenue, 3rd Floor, Texarkana, Texas, at ___:_____ __.m., on _____, 2001 (the "Settlement Fairness Hearing") to determine whether a proposed settlement (the "Settlement") of the Action with respect to defendant Bresea only, as set forth in the Settlement Agreement, is fair, reasonable and adequate for the settlement of the U.S. Class' claims against Bresea, and to consider the application of Co-Lead Counsel for an award of costs and expenses.

20. The Court, by Order for Notice and Hearing in Connection with Settlement with Bresea Resources Ltd., dated _____, 2001, has certified a Plaintiff Class (the "U.S. Class") consisting of:

> persons who purchased or otherwise acquired Bre-X common shares and/or Bresea common shares between May 6, 1993 and May 2, 1997, inclusive, and who suffered a loss as a consequence of dealing in shares of Bre-X and/or Bresea, excluding all persons in Canada who purchased their Bre-X and/or Bresea shares solely on a Canadian stock exchange and excluding all defendants in the U.S. Class Action, members of their immediate family and/or any subsidiary, affiliate, or employee of

each of such defendant, any entity in which any excluded person has or had a controlling interest, and the legal representatives, heirs, successors, and assigns of any such excluded person.

BACKGROUND OF THE LITIGATION

21. This is a class action on behalf of persons who purchased the common stock of Bre-X and/or Bresea, which held as its primary asset approximately 25% of the shares of Bre-X. Plaintiffs' Fourth Amended Class Action Complaint (the "Complaint") seeks remedies under the Securities Exchange Act of 1934 (the "Exchange Act") and state law. The facts set forth in this section are based on allegations set forth in the Complaint, a complete copy of which is available on the litigation web site established for the Action, at www.brexclass.com.

22. Bre-X became a star of the investing public based on its ownership of a purportedly huge gold deposit -- perhaps the largest ever discovered -- located in the Busang area of East Kalimantan, Indonesia. Defendants' descriptions of gold-laden drill samples extracted from Bre-X's properties were accepted as proof of the Company's claims, until independent analysis and drilling revealed a massive deception perpetrated by defendants. The Bre-X saga is now called the gold fraud of the century.

23. After making repeated statements that 70-200 million ounces of gold were available for extraction at Busang, Bre-X announced on March 26, 1997 that a mining consultant had concluded that there was "a strong possibility" that prior estimates concerning the quantity of gold at Busang "have been overstated because of invalid samples and assaying of these samples." That same day, Freeport McMoRan Gold & Copper, Inc. ("Freeport"), which had been announced as Bre-X's partner in the Busang project, reported that its analyses of seven core samples "indicate insignificant amounts of gold." That news came one week after the announced death of Bre-X's chief geologist,

who reportedly fell from a helicopter while traveling to Busang to meet with Freeport representatives to discuss their assay results.

24. Bre-X insiders thereafter denied the fraud. Ultimately, however, even Bre-X acknowledged that the numerous public statements it had made touting millions of ounces of gold at Busang were baseless, the product of fraud supported by bogus test-drilling reports. That conclusion was confirmed in a final report from Bre-X's mining consultant, which became known to the market on May 3, 1997. It soon emerged that the samples had been adulterated with gold from other sources.

25. Following the initial announcement, trading in Bre-X stock was halted on the U.S. and Canadian markets. Upon resumption of trading, Bre-X's stock price plummeted 83 percent, resulting in a market loss of approximately US$2 billion. Bresea stock, which tracked Bre-X in market performance, followed suit. Trading in both stocks was halted permanently in May 1997.

26. The Complaint alleges, among other things, that Bre-X, Bresea, and their management, as well as the other Defendants -- J.P. Morgan Securities, Inc., P. T. Kilborn Pakar Rekayasa, Kilborn Engineering Pacific Ltd., Nesbitt Burns, Inc., and Barrick Gold Corporation -- knowingly or recklessly issued or made false and misleading press releases or other public statements regarding Bre-X's and Bresea's assets, value, or financial condition during the Class Period.

27. The Complaint further alleges that plaintiffs and other members of the U.S. Class purchased the common stock of Bre-X and Bresea during the Class Period at artificially inflated prices as a result of the defendants' dissemination of false and misleading statements regarding Bre-X and Bresea in violation of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, and Rule 10b-5 promulgated thereunder.

SUBSEQUENT EVENTS

28. On May 8, 1997, the Court of Queen's Bench of Alberta (the "Alberta Court") gave Bresea protection under the *Companies' Creditors Arrangement Act* (the "CCAA") and required it to file a plan of reorganization by October 31, 1997 and appointed PricewaterhouseCoopers Inc. ("PWC") as Monitor. Bresea did not file a plan of reorganization as required, and the protection afforded by the CCAA expired on October 31, 1997. In the fall of 1997, counsel in the Ontario Class Action applied to the Alberta Court to have Bresea placed in bankruptcy.

29. On November 5, 1997, the Alberta Court appointed PWC as Interim Receiver and directed PWC to place Bresea in bankruptcy. Subsequently, however, the Alberta Court of Appeals concluded that Bresea may not be insolvent and prohibited PWC from placing Bresea in bankruptcy. On February 11, 1998, the Alberta Court issued a receivership order setting out the powers and duties of PWC as Interim Receiver.

30. On November 5, 1997, Bre-X made a voluntary assignment pursuant to provisions of the Bankruptcy and Insolvency Act (Canada) ("BIA"). Deloitte was named as trustee, and its appointment was subsequently affirmed by the Alberta Court.

BACKGROUND TO THE SETTLEMENT

31. Settlement discussions among Bresea, Deloitte, Co-Lead Counsel, counsel for the Ontario Class Members, and class counsel in the Ontario Bresea Action were difficult, contentious, and prolonged. Settlement discussions began early 2000 and continued until October 11, 2001, when Co-Lead Counsel , on behalf of Lead Plaintiffs and proposed Class Representatives, agreed upon and executed the Settlement Agreement. Prior to executing the Settlement Agreement, Co-Lead Counsel conducted an investigation relating to the events and transactions underlying plaintiffs' claims and

conducted pretrial discovery on the merits, including, inter alia, analysis of tens of thousands of pages of documents produced by Deloitte and Bresea and other parties, including certain of Bre-X's and Bresea's directors and officers. Co-Lead Counsel's decision, on behalf of Lead Plaintiffs and proposed Class Representatives, to execute the Settlement Agreement with Bresea was made with knowledge of the facts and circumstances underlying plaintiffs' claims and the strengths and weaknesses of those claims, as well as the financial condition and new management of Bresea. In determining to settle the Action with respect to Bresea, Co-Lead Counsel has taken into account most importantly the likelihood (or unlikelihood) of being able to collect any greater amount from Bresea by such continued litigation. Plaintiffs believe that the Settlement Agreement confers substantial benefits upon the U.S. Class. Based upon their consideration of all of these factors, plaintiffs and their counsel have concluded that it is in the best interest of plaintiffs and the U.S. Class to settle the Action, as against Bresea only, on the terms described herein.

32. The Settlement Agreement with Bresea does not constitute an admission by Bresea of wrongdoing or liability whatsoever.

33. The Court has not finally determined the merits of plaintiffs' claims against Bresea or the defenses thereto. This Notice does not imply that there has been or would be any finding of violation of the law by Bresea or that recovery could be had in any amount if the Action were not settled as against Bresea.

TERMS OF THE SETTLEMENT

34. The Settlement Agreement provides for a global settlement of all claims asserted against Bresea, not only in the U.S. Class Action, but also in the Ontario Class Action and the Ontario Bresea Action.

35. Class members in the Ontario Class Action means those persons in Canada who held shares in Bre-X as of March 26, 1997 and suffered a loss as a consequence of dealing in shares of Bre-X and any other person, except a person who was resident in the United States of America when purchasing shares in Bre-X on the NASDAQ stock exchange, who suffered a loss as a consequence of dealing in shares of Bre-X in the period May 6, 1993 to May 2, 1997, excluding the defendants in the Ontario Class Action, members of the immediate family of any such defendants, any subsidiary, affiliate or employee of such defendant, any entity in which any excluded person has or had a controlling interest and the legal representatives, heirs, successors and assigns of any excluded person ("Ontario Class Members").

36. This Notice contains a summary of the terms of the Settlement Agreement as it relates to the U.S. Class. Please refer to www.brexclass.com for the full terms of the Settlement Agreement.

37. In settlement of the claims which have or could have been asserted against Bresea, and all claims and actions against Bre-X which Bresea may have, and subject to the terms and conditions of the Settlement Agreement, Bresea will give the following consideration:

A. Pursuant to the Arrangement, as previously approved by the Alberta Court, Bresea shall, among other things, create a Pool of shares representing approximately ten percent (10%) of the equity of Bresea, as reorganized, to satisfy the claims of:

1. the U.S. Class Members in the U.S. Class Action who purchased or who otherwise acquired Bresea common shares and suffered a net loss as a consequence;

2. any person who opts out of the Ontario Class Action;

3. any person who opts out of the U.S. Class Action; and

4. all other persons having a claim against Bresea, including the proposed class members in the Ontario Bresea Action

who shall be paid by a pro rata distribution of the Pool among them.

B. Bresea shall pay a Settlement Fund of $9,000,000 (CDN) to Deloitte, as Trustee of the Estate of Bre-X Minerals Ltd. The Settlement Fund paid by Bresea to Deloitte shall be applied by Deloitte as follows:

1. First, Deloitte shall set aside and hold $2,250,000 (CDN) less certain Notice costs of the Settlement Fund as payment of legal fees, costs, disbursements and taxes in the Ontario Class Action and the U.S. Class Action allocated as follows:

   (a) The sum of $1,500,000 (CDN) in trust for the Ontario Class Members (the "Canadian Trust") to pay legal fees, costs, disbursements and taxes in the Ontario Class Action;

   (b) The sum of $750,000 (CDN) in trust for the U.S. Bre-X Class Members (the "U.S. Trust") to pay their legal fees, costs, disbursements and taxes in the U.S. Class Action;

2. Second, in payment of the amount approved by the appropriate court for fees, disbursements and taxes of class counsel in the Ontario Bresea Action, up to a maximum amount of $200,000 (CDN);

3. Third, Deloitte shall set aside and hold US$500,000 of the Settlement Fund as a reserve for the purpose of paying any award of court costs to Defendants in

either the Ontario Class Action or the U.S. Class Action, up to a maximum of US$250,000 per action; such payments of court costs will be made only provided (1) an award of court costs is made in Defendants' favor in either the Ontario Class Action or the U.S. Class Action; and (2) such court authorizes the payment of court costs by Deloitte from this reserve. The reserve will terminate only upon the expiration of all appeal periods in both the Ontario Class Action and the U.S. Class Action, or no later than December 31, 2006, without court authorization to the contrary.

4. Fourth, Deloitte may use all or a part of the balance of the Settlement Fund remaining, after paying the amounts and establishing the trusts referred to above for the purposes of the administration of the Bre-X bankruptcy, subject to its accounting to the Alberta Court;

5. Fifth, if the amount available to Deloitte under section (4) above for the purposes of administration of the Bre-X bankruptcy is not completely used for that purpose, the unused portion thereof, up to a maximum of $7,000,000 (CDN), minus the amount referred to in sections (1), (2), (3), and (4) above (the "Class Action Claimants Fund") shall be proportionately distributed among the Ontario Class Members and the U.S. Bre-X Class Members who file a proof of claim in accordance with the direction given herein. Deloitte shall be paid its costs of administering and distributing the Class Action Claimants Fund, which costs shall be paid from and form a first charge on the Class Action Claimants Fund; and

6. Sixth, the residue of the Settlement Fund, if any, after making the payments and allocations required above ("the Estate Assets") shall be distributed in accordance with the priorities contained in the BIA as directed by the Alberta Court.

38. In addition, the Settlement Agreement provides for the sharing of any recoveries in certain actions, including the U.S. Class Action, on claims against the Common Insider Defendants, as follows:

A. Any monies recovered in the Ontario Class Action, in the Trustee Actions, and in the U.S. Class Action on behalf of the U.S. Bre-X Class Members by judgment, settlement, or otherwise, and whether directly or indirectly from the Estate of David G. Walsh, Jeannette Walsh, John B. Felderhof, Rolando C. Francisco, Hugh C. Lyons, T. Stephen McAnulty, John D. Thorpe, Bryan A Coates and Paul M. Kavanagh, (the "Recovered Monies") shall be paid to Deloitte.

B. Immediately after receipt of the Recovered Monies, Deloitte shall apply the Recovered Monies as follows:

1. First, in payment of all disbursements and taxes incurred in the Ontario Class Action that are approved for payment by the Ontario Court and all disbursements and taxes incurred in the U.S. Class Action that are approved for payment by the U.S. Court;

2. Second, from the balance of the Recovered Monies remaining after making the payments provided for in section (1) above (the "Remaining Recovered Monies"), Deloitte shall:

(a) Pay into the Canadian Trust as legal fees in the Ontario Class Action 16.666% of the Remaining Recovered Monies, plus applicable taxes;

(b) Pay into the U.S. Trust as legal fees in the U.S. Class Action 8.334% of the Remaining Recovered Monies, plus applicable taxes;

3. Third, Deloitte may use all or part of the balance of the Remaining Recovered Monies, after paying the amount referred to in sections (1) and (2) above for the purposes of the administration of the Bre-X bankruptcy, subject to its accounting to the Alberta Court; and

4. Fourth, allocate any portion of the Remaining Recovered Monies, after payment of the amounts required by sections (1), (2), and (3) above in the exercise of its discretion and following consultation with the provisional inspectors, counsel in the Ontario Class Action and Co-Lead Counsel, among the Trustee Actions, the Ontario Class Action and the U.S. Class Action and any amounts allocated to the Ontario Class Action and the U.S. Class Action shall be added to the Class Action Claimants Fund and distributed accordingly. The allocation shall be approved by the Alberta Court.

39. The effectiveness of the Settlement Agreement is conditioned upon the following approvals, some of which, as noted, have already been obtained:

A. the Alberta Court or the Alberta Bankruptcy Court, as the case may be, shall have:

1. approved the completion and performance by Bresea of the Settlement Agreement, including the filing of the Arrangement and the payment of the

Settlement Fund to Deloitte (such approval having been granted on September 26, 2001);

2. approved, on the application of Deloitte, the completion and performance by Deloitte of this Settlement Agreement, including undertaking the duties and obligations contemplated by the provisions of the Settlement Agreement;

3. declared that Ontario Class Members and U.S. Class Members who acquired Bre-X common shares between May 6, 1993 and May 2, 1997, inclusive, and who suffered a net loss as a result of dealing in the shares of Bre-X are creditors of Bre-X for their net losses pursuant to the BIA;

B. the Ontario Court has approved the completion and performance of the Settlement Agreement (such approval having been granted on October 29, 2001);

C. the U.S. Court has approved the completion and performance of the Settlement Agreement; and

D. such regulatory approvals or exemptions as are necessary shall have been obtained to permit Bresea to complete the transactions contemplated by the Settlement Agreement.

40. If the Settlement Agreement is finally approved, a judgment shall be entered in the U.S. Class Action (i) approving the completion and performance of the Settlement Agreement, and (ii) dismissing the claims of the U.S. Class Members against Bresea with prejudice.

41. The Settlement Agreement provides for a settlement with defendant Bresea only. The Settlement Agreement does not settle claims against the remaining non-settling Defendants: Bre-X Minerals Ltd., John B. Felderhof, Estate of David G. Walsh, Jeanette Walsh, T. Stephen McAnulty,

John B. Thorpe, Rolando C. Francisco, Hugh C. Lyons, Paul M. Kavanagh, J.P. Morgan Securities, Inc., P.T. Kilborn Pakar Rekayasa, Kilborn Engineering Pacific Ltd., Nesbitt Burns, Inc., and Barrick Gold Corporation. However, as stated above, upon approval of the Settlement Agreement, any monies recovered in the Ontario Class Action, the Trustee Actions, and the U.S. Class Action on behalf of the U.S. Bre-X Class Members, by judgment, settlement, or otherwise, and whether directly or indirectly, from the Common Insider Defendants shall be paid to Deloitte and distributed among the beneficiaries described in paragraph 38 above.

42. Monies recovered in the U.S. Class Action on behalf of U.S. Bresea Class Members are not included in the amounts that will be assigned to Deloitte.

43. If the Settlement is approved by the Court, all claims which have been asserted in the Action against Bresea will be dismissed on the merits and with prejudice as to all U.S. Class Members.

PLAN OF ALLOCATION OF SETTLEMENT PROCEEDS AMONG CLASS MEMBERS

For Purchases of Bre-X Common Stock:

44. Members of the U.S. Class who had losses from transactions in Bre-X common stock during the Class Period are required to submit a Bre-X Proof of Claim form to share in the amounts allocated to U.S. Bre-X Class Members from the Class Action Claimants Fund and from any Remaining Recovered Monies, less fees and expenses. Deloitte shall process the claims of U.S. Bre-X Class Members in accordance with the BIA and shall determine the pro rata share of the Class Action Claimants Fund and Remaining Recovered Monies, less fees and expenses, that are allocated to U.S. Bre-X Class Members.

45. U.S. Bre-X Class Members who had losses from transactions in Bre-X common stock during the Class Period should submit their Bre-X Proof of Claim to:

Deloitte & Touche Inc.
Suite 3000, Scotia Centre
700 Second Street, S.W.
Calgary, Alberta
Canada T2P 0S7
Attn: Rick Anderson

Bre-X Proofs of Claim must be mailed to the above address no later than _____.

For Purchases of Bresea Common Stock:

46. Members of the U.S. Class who had losses from transactions in Bresea common stock during the Class Period are required to submit a Bresea Proof of Claim form to share in the Pool of shares of reorganized Bresea that are allocated to U.S. Bresea Class Members. Bresea shall process the claims of U.S. Bresea Class Members in accordance with the plan of Arrangement. Bresea shall determine each class member's pro rata share of the pool of shares of reorganized Bresea allocated to U.S. Bresea Class Members.

47. U.S. Bresea Class Members who had losses from transactions in Bresea common stock during the Class Period should submit their Bresea Proof of Claim to:

Sasamat Capital Corporation
1620 - 400 Burrard Street
Vancouver, British Columbia
Canada V6C 3A6

Bresea Proofs of Claim must be mailed to the above address no later than _____.

Claims Process Procedures:

48. Members of the U.S. Class who purchased both Bre-X and Bresea common stock during the Class Period and had losses from both should file two Proofs of Claim, one for their Bre-X shares and another for their Bresea shares.

49. If a Proof of Claim is rejected, in whole or in part, written explanation of the rejection shall be given to such class member who will then have an opportunity to dispute such rejection. Co-Lead Counsel shall be given a copy of all such rejection notices and will have standing to participate (whether for or against acceptance of any such claim) in any hearing or process dealing with disputed claims, in Co-Lead Counsel's sole discretion.

50. Members of the U.S. Class who do not submit acceptable Proofs of Claim will not share in the settlement proceeds. Members of the U.S. Class who do not either submit a request for exclusion or submit an acceptable Proof of Claim will nevertheless be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action.

51. If you are a member of the U.S. Class and you do not properly exclude yourself from the U.S. Class, you will be bound by the Settlement and the Order and Final Judgment of the Court dismissing this Action, even if you do not submit a Proof of Claim. If you exclude yourself from the U.S. Class, you will not be bound by the judgment of the Court in this Action, although you may nevertheless be bound by the terms of the Bresea Arrangement.

52. All Proofs of Claim must be submitted by the date specified in this Notice unless such period is extended by Order of the Court.

53. With respect to submitting Proofs of Claim for Bresea shares, each U.S. Bresea Class Member shall be deemed to have agreed to the jurisdiction of (i) the United States District Court for the Eastern District of Texas, Texarkana Division; and (ii) the Alberta Court. With respect to submitted Proofs of Claim for Bre-X shares, each U.S. Bre-X Class Member shall be deemed to have agreed to the jurisdiction of (i) the United States District Court for the Eastern District of Texas, Texarkana Division; and (ii) the Alberta Bankruptcy Court.

THE RIGHTS OF CLASS MEMBERS

54. The United States District Court for the Eastern District of Texas, Texarkana Division, has certified this Action to proceed as a class action for purposes of the proposed Settlement. If you purchased common stock of Bre-X and/or Bresea between May 6, 1993 and May 2, 1997, inclusive, and suffered a loss as a consequence of dealing in shares of Bre-X and/or Bresea, then you are a member of the U.S. Class. Members of the U.S. Class have the following options pursuant to Rule 23 (c) (2) of the Federal Rules of Civil Procedure:

A. If you wish to remain a member of the U.S. Class, you may share in the proceeds of the Settlement, provided that you submit an acceptable Proof of Claim. Members of the U.S. Class will be represented by the Plaintiffs and their counsel, unless you enter an appearance through counsel of your own choice at your own expense. You are not required to retain your own counsel, but if you choose to do so, such counsel must file an appearance on your behalf on or before _____, 2001, and must serve copies of such appearance on the attorneys listed in ¶ 57 below.

B. If you do not wish to remain a member of the U.S. Class, you may exclude yourself from the U.S. Class by following the instructions in ¶ 55 below. Persons who exclude themselves from the U.S. Class will **NOT** receive any share of the Class Action Claimants Fund or the Remaining Recovered Monies that are allocated to U.S. Bre-X Class Members. However, persons excluding themselves from the U.S. Class Action may be entitled to a portion of the pool of shares of reorganized Bresea under the Bresea Arrangement.

C. If you object to the Settlement Agreement or any of its terms, or to Co-Lead Counsel's application for past and future costs and expenses, and if you do not exclude yourself

from the U.S. Class, you may present your objections by following the instructions in ¶ 57 below.

EXCLUSION FROM THE SETTLEMENT

55. Each member of the U.S. Class shall be bound by all determinations and judgments in this Action concerning the Settlement, whether favorable or unfavorable, unless such person shall mail, by first class mail, a written request for exclusion from the U.S. Class, postmarked no later than _____, 2001, addressed to Bre-X and Bresea Securities Litigation Exclusions, c/o Gilardi & Company, P.O. Box 990, Corte Madera, California 94976-0990. No person may exclude himself from the U.S. Class after that date. Such request for exclusion shall clearly indicate the name and address of the person seeking exclusion, that the sender requests to be excluded from the U.S. Class in *McNamara, et al., v. Bre-x Minerals Ltd. et al.*, Civil Action No. 597CV159, and must be signed by such person. Such persons requesting exclusion are also requested to state: their telephone number, and the date(s), price(s), and number(s) of shares of all purchases and sales of Bresea and Bre-X common stock during the Class Period. The request for exclusion shall not be effective unless it provides the required information and is made within the time stated above, or the exclusion is otherwise accepted by the Court.

SETTLEMENT FAIRNESS HEARING

56. At the Settlement Fairness Hearing, the Court will determine whether to finally approve the Settlement Agreement and dismiss the Action as against Bresea and with prejudice. The Settlement Fairness Hearing, which is scheduled to commence on _____, 2001 may be adjourned from time to time by the Court without further written notice to the U.S. Class. If the

Settlement is approved, the Court will also consider the application of Co-Lead Counsel for an award of past and future costs and expenses.

57. At the Settlement Fairness Hearing, any U.S. Class Member who has not properly submitted a Request for Exclusion from the U.S. Class may appear in person or by counsel and be heard to the extent allowed by the Court in opposition to the fairness, reasonableness and adequacy of the Settlement, or the application for an award of past and future costs and expenses, provided, however, that in no event shall any person be heard in opposition to the Settlement, or Co-Lead Counsel's application for reimbursement of past and future costs and expenses, and in no event shall any paper or brief submitted by any such person be accepted or considered by the Court, unless, on or before _____, 2001, such person (a) files with the Clerk of the Court, United States Courthouse, 500 State Line Avenue, 3rd Floor, Texarkana, Texas 75501 notice of such person's intention to appear, showing proof of such person's membership in the U.S. Class, and providing a statement that indicates the basis for such opposition, along with any documentation in support of such objection, and (b) simultaneously serves copies of such notice, proof, statement and documentation, together with copies of any other papers or briefs such person files with the Court, in person or by mail upon either of Plaintiffs' Co-Lead Counsel:

R. Paul Yetter, Esq.
Yetter & Warden, L.L.P.
600 Travis, Suite 3800
Houston, Texas 77002
Telephone (713) 238-2000

H. Lee Godfrey, Esq.
Susman Godfrey, L.L.P.
1000 Louisiana, Suite 5100
Houston, Texas 77002
Telephone (713) 651-9366

and upon Counsel for Bresea:

Linda L. Addison
Fulbright & Jaworski, L.L.P.
1301 McKinney, Suite 4300
Houston, Texas 77010

ATTORNEYS' COSTS AND EXPENSES

58. At the Settlement Fairness Hearing or at such other time as the Court may direct, Co-Lead Counsel intend to apply to the Court for an award of past and future costs and expenses in the amount of $750,000 (CDN) from those funds set aside by Deloitte from the Settlement Fund for the payment of legal fees, costs, disbursements, and taxes. Co-Lead Counsel will not apply for an award of fees from such funds set aside by Deloitte, nor will Co-Lead Counsel apply for an award of either fees or past and future costs and expenses on the basis of those Bresea shares contributed to the Pool.

Co-Lead Counsel also intend to apply for approval of the provisions of the Settlement Agreement which would fix their fees and costs for any further recoveries against the Common Insider Defendants to be 8.334% of any Remaining Recovered Monies which may be recovered in connection with the certain claims whose recovery will be paid to Deloitte, in its capacity as representative of the Bre-X Trustee.

FURTHER INFORMATION

59. For a more detailed statement of the matters involved in this Action, reference is made to the pleadings, to the Amended and Restated Settlement Agreement, to the Orders entered by the Court and to the other papers filed in the Action, which may be inspected at the Office of the Clerk of the in the United States Courthouse, Federal Building, 500 State Line Avenue, 3rd Floor, Texarkana, Texas 75501, during regular business hours.

60. ALL INQUIRIES CONCERNING THIS NOTICE OR THE PROOF OF CLAIM FORM BY CLASS MEMBERS SHOULD BE MADE TO THE CLAIMS ADMINISTRATOR IN WRITING AT THE ADDRESS INDICATED BELOW.

SPECIAL NOTICE TO SECURITIES BROKERS AND OTHER NOMINEES

61. If you purchased common stock of Bre-X Minerals Ltd. or Bresea Resources Ltd. during the period between May 6, 1993 and May 2, 1997, inclusive, for the beneficial interest of a person or organization other than yourself, the Court has directed that, within seven days of your receipt of this Notice, you either (a) provide to the Claims Administrator the name and last known address of each person or organization for whom or which you purchased such stock during such time period or (b) request additional copies of this Notice and the Proof of Claim forms, which will be provided to you free of charge, and within seven days mail the Notice and Proof of Claim forms directly to the beneficial owners of the securities referred to herein. If you choose to follow alternative procedure (b), the Court has directed that, upon such mailing, you send a statement to the Claims Administrator confirming that the mailing was made as directed. You are entitled to reimbursement of your reasonable expenses actually incurred in connection with the foregoing, including reimbursement of postage expense and the cost of ascertaining the names and addresses of beneficial owners. Those expenses will be paid upon request and submission of appropriate supporting documentation. All communications concerning the foregoing should be addressed to the Claims Administrator:

In re Bre-X and Bresea Securities Litigation
c/o Gilardi & Company
P.O. Box 990
Corte Madera, California 94976-0990
(415) 461-0410

Dated: Texarkana, Texas
_____, 2001

By Order of the Court
CLERK OF THE COURT

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION

LANE McNAMARA, et al.,	§	
Plaintiffs,	§	
v.	§	Civil Action No. 597CV159
	§	
BRE-X MINERALS LTD., et al.	§	
	§	
Defendants.	§	

PROOF OF CLAIM FOR BRESEA SHARES

DEADLINE FOR SUBMISSION: _____, 2002.

IF YOU PURCHASED OR OTHERWISE ACQUIRED BRESEA RESOURCES LTD. ("BRESEA") COMMON SHARES BETWEEN MAY 6, 1993 AND MAY 2, 1997, INCLUSIVE (THE "CLASS PERIOD"), AND SUFFERED A LOSS AS A CONSEQUENCE OF DEALING IN SHARES OF BRESEA COMMON STOCK, YOU ARE A "U.S. BRESEA CLASS MEMBER" AND YOU MAY BE ENTITLED TO SHARE IN THE POOL OF SHARES OF REORGANIZED BRESEA THAT ARE ALLOCATED TO U.S. BRESEA CLASS MEMBERS

EXCLUDED FROM THE U.S. CLASS ARE ALL PERSONS IN CANADA WHO PURCHASED THEIR BRE-X AND/OR BRESEA SHARES SOLELY ON A CANADIAN STOCK EXCHANGE.

ALSO EXCLUDED FROM THE U.S. CLASS ACTION ARE ALL DEFENDANTS IN THIS ACTION, MEMBERS OF THEIR IMMEDIATE FAMILY AND/OR ANY SUBSIDIARY, AFFILIATE, OR EMPLOYEE OF EACH SUCH DEFENDANT, ANY ENTITY IN WHICH ANY EXCLUDED PERSON HAS OR HAD A CONTROLLING INTEREST, AND THE LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS, AND ASSIGNS OF ANY SUCH EXCLUDED PERSON.

IF YOU ARE A U.S. BRESEA CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS.

NOTE: U.S. BRESEA CLASS MEMBERS WHO ALSO PURCHASED BRE-X COMMON STOCK DURING THE CLASS PERIOD SHOULD ALSO FILE A SEPARATE BRE-X PROOF OF CLAIM FOR THEIR BRE-X SHARES.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN _____, 2002 TO THE FOLLOWING ADDRESS:

Sasamat Capital Corporation
1620 - 400 Burrard Street
Vancouver, British Columbia V6C 3A6
Canada

YOUR FAILURE TO SUBMIT YOUR CLAIM BY _____, 2002 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY SHARES IN CONNECTION WITH THE SETTLEMENT OF THIS LITIGATION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO BRESEA AT THE ADDRESS SHOWN BELOW.

1. I purchased or otherwise acquired the common stock of Bresea Resources, Ltd. ("Bresea") between May 6, 1993 and May 2, 1997, inclusive. (Do not submit this Proof of Claim if you did not purchase or otherwise acquired the common stock of Bresea during this period).

2. By submitting this Proof of Claim, I state that I believe in good faith that I am a U.S. Bresea Class Member as defined above and in the Notice of Pendency of Class Action, Hearing On Proposed Settlement With Bresea Resources Ltd. and Attorneys' Costs and Expenses Petition and Rights to Share in Settlement Funds (the "Notice"), or am acting for such person; that I am not a Defendant in the Action or anyone excluded from the Class; that I have read and understand the Notice; that I believe that I am entitled to receive a pro rata distribution of Bresea shares; that I elect to participate in the proposed Settlement described in the Notice; and that I have not filed a request for exclusion. (If you are acting in a representative capacity on behalf of a U.S. Bresea Class Member

(e.g., as an executor, administrator, trustee, or other representative), you must submit evidence of your current authority to act on behalf of that class member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of trust documents.)

3. I have set forth where requested below all relevant information with respect to each purchase of Bresea common stock during the Class Period, and each sale, if any, of such securities.

4. I have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, relevant portions of my tax returns or other documents evidencing each purchase, sale or retention of Bresea common stock listed below in support of my claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER OR TAX ADVISOR BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)

5. I understand that the information contained in this Proof of Claim is subject to such verification as the Court may direct, and I agree to cooperate in any such verification.

6. Statement of Claim

Name(s) of Beneficial Owner(s):

Name

Name

.

Street No.

_____
City State Zip Code

( ) _____ ( )
Telephone No. (Day) Telephone No. (Night)

_____
e-mail address

Taxpayer I.D. No. or Social Security No.

Check one:
___ Individual ___ Corporation _____IRA ___ Estate ___ Other _____(specify)

Joint Owner's Name (if any)

7. At the close of business on May 5, 1993, I owned _____ shares of Bresea common stock.

8. I made the following purchases of Bresea common stock during the period May 6, 1993 and May 2, 1997, inclusive:

Date(s) of Purchase (List	Number of Shares of Bresea Common Stock	Purchase Price Per Share of Bresea	Aggregate Cost (including

Chronologically) (Month/Day/Year)	Purchased	Common Stock	commissions, taxes, and fees)
____/____/_____	_____	$ _____	$_____
____/____/_____	_____	$ _____	$_____
____/____/_____	_____	$ _____	$_____
____/____/_____	_____	$ _____	$_____

9. I made the following sales of Bresea common stock during the period May 6, 1993 and May 2, 1997, inclusive:

Date(s) of Sale (List Chronologically) (Month/Day/Year)	Number of Shares of Bresea Common Stock Sold	Sale Price Per Share of Bresea Common Stock	Amount Received (net of commissions, taxes, and fees)
____/____/_____	_____	$ _____	$_____
____/____/_____	_____	$ _____	$_____
____/____/_____	_____	$ _____	$_____
____/____/_____	_____	$ _____	$_____

10. At the close of business on May 2, 1997, I still owned _____ shares of Bresea common stock.

11. Total amount of claim based on purchases and sales (as described in numbers 8 and 9 above) and number of shares retained (as described in number 10 above):

$_____.

12. Substitute Form W-9

Request for Taxpayer Identification Number:

Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. The Internal Revenue Service ("I.R.S.") requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

Social Security Number (for individuals) or

Taxpayer Identification Number
(for estates, trusts, corporations, etc.)

13. Certification

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED ON THIS FORM IS TRUE, CORRECT AND COMPLETE.

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE: If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign)

(Signature)

(Signature)

Date:

THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN _____, 2002, AND MUST BE MAILED TO:

Sasamat Capital Corporation
1620 - 400 Burrard Street
Vancouver, British Columbia V6C 3A6
Canada

A Proof of Claim received by Bresea shall be deemed to have been submitted when posted, if mailed by _____, 2002, and if a postmark is indicated on the envelope and it is mailed

first class, and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by Bresea.

If you wish to be assured that your Proof of Claim is actually received by Bresea then you should send it by Certified Mail, Return Receipt Requested. No acknowledgment will be made as to the receipt of claim forms. You should be aware that it will take a significant amount of time to process fully all of the Proofs of Claim and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim. Please notify Bresea of any change of address.

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION

LANE McNAMARA, et al.,	§	
Plaintiffs,	§	
v.	§	Civil Action No. 597CV159
	§	
BRE-X MINERALS LTD., et al.	§	
	§	
Defendants.	§	

PROOF OF CLAIM FOR BRE-X SHARES

DEADLINE FOR SUBMISSION: _____, 2002.

IF YOU PURCHASED OR OTHERWISE ACQUIRED BRE-X MINERALS LTD. ("BRE-X") COMMON SHARES BETWEEN MAY 6, 1993 AND MAY 2, 1997, INCLUSIVE (THE "CLASS PERIOD"), AND SUFFERED A LOSS AS A CONSEQUENCE OF DEALING IN SHARES OF BRE-X COMMON STOCK, YOU ARE A "U.S. BRE-X CLASS MEMBER" AND YOU MAY BE ENTITLED TO SHARE IN SETTLEMENT PROCEEDS.

EXCLUDED FROM THE U.S. CLASS ARE ALL PERSONS IN CANADA WHO PURCHASED THEIR BRE-X AND/OR BRESEA SHARES SOLELY ON A CANADIAN STOCK EXCHANGE.

ALSO EXCLUDED FROM THE U.S. CLASS ARE ALL DEFENDANTS IN THIS ACTION, MEMBERS OF THEIR IMMEDIATE FAMILY AND/OR ANY SUBSIDIARY, AFFILIATE, OR EMPLOYEE OF EACH SUCH DEFENDANT, ANY ENTITY IN WHICH ANY EXCLUDED PERSON HAS OR HAD A CONTROLLING INTEREST, AND THE LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS, AND ASSIGNS OF ANY EXCLUDED SUCH PERSON.

IF YOU ARE A U.S. BRE-X CLASS MEMBER, YOU MUST COMPLETE AND SUBMIT THIS FORM IN ORDER TO BE ELIGIBLE FOR ANY SETTLEMENT BENEFITS.

NOTE: U.S. BRE-X CLASS MEMBERS WHO ALSO PURCHASED BRESEA COMMON STOCK DURING THE CLASS PERIOD SHOULD ALSO FILE A SEPARATE BRESEA PROOF OF CLAIM FOR THEIR BRESEA SHARES.

YOU MUST COMPLETE AND SIGN THIS PROOF OF CLAIM AND MAIL IT BY FIRST CLASS MAIL, POSTMARKED NO LATER THAN _____, 2002 TO THE FOLLOWING ADDRESS:

In re Bre-X Securities Litigation Proofs of Claim
Deloitte & Touche Inc.
Suite 3000, Scotia Centre
700 Second Street, S.W.
Calgary, Alberta
Canada T2P 0S7
Attn: Rick Anderson

YOUR FAILURE TO SUBMIT YOUR CLAIM BY _____, 2002 WILL SUBJECT YOUR CLAIM TO REJECTION AND PRECLUDE YOUR RECEIVING ANY MONEY IN CONNECTION WITH THE SETTLEMENT OF THIS LITIGATION. DO NOT MAIL OR DELIVER YOUR CLAIM TO THE COURT OR TO ANY OF THE PARTIES OR THEIR COUNSEL AS ANY SUCH CLAIM WILL BE DEEMED NOT TO HAVE BEEN SUBMITTED. SUBMIT YOUR CLAIM ONLY TO DELOITTE AT THE ADDRESS SHOWN BELOW.

14. I purchased or otherwise acquired the common stock of Bre-X Minerals Ltd. ("Bre-X") between May 6, 1993 and May 2, 1997, inclusive. (Do not submit this Proof of Claim if you did not purchase or otherwise acquired the common stock of Bre-X during this period).

15. By submitting this Proof of Claim, I state that I believe in good faith that I am a U.S. Bre-X Class Member as defined above and in the Notice of Pendency of Class Action, Hearing On Proposed Settlement With Bresea Resources Ltd. and Attorneys' Costs and Expenses Petition and Rights to Share in Settlement Funds (the "Notice"), or am acting for such person; that I am not a Defendant in the Action or anyone excluded from the Class; that I have read and understand the Notice; that I believe that I am entitled to receive a share of any amounts allocated to U.S. Bre-X Class Members; that I elect to participate in the proposed Settlement described in the Notice; and that I have not filed a request for exclusion. (If you are acting in a representative capacity on behalf

of a U.S. Bre-X Class Member (e.g., as an executor, administrator, trustee, or other representative), you must submit evidence of your current authority to act on behalf of that class member. Such evidence would include, for example, letters testamentary, letters of administration, or a copy of trust documents.)

16. I have set forth where requested below all relevant information with respect to each purchase of Bre-X common stock during the Class Period, and each sale, if any, of such securities.

17. I have enclosed photocopies of the stockbroker's confirmation slips, stockbroker's statements, relevant portions of my tax returns or other documents evidencing each purchase, sale or retention of Bre-X common stock listed below in support of my claim. (IF ANY SUCH DOCUMENTS ARE NOT IN YOUR POSSESSION, PLEASE OBTAIN A COPY OR EQUIVALENT DOCUMENTS FROM YOUR BROKER OR TAX ADVISOR BECAUSE THESE DOCUMENTS ARE NECESSARY TO PROVE AND PROCESS YOUR CLAIM.)

18. I understand that the information contained in this Proof of Claim is subject to such verification as the Court may direct, and I agree to cooperate in any such verification.

19. Statement of Claim

Name(s) of Beneficial Owner(s):

Name

Name

.

Street No.

_____
City State Zip Code

( ) _____ ( )
Telephone No. (Day) Telephone No. (Night)

E-mail address

Taxpayer I.D. No. or Social Security No.

Check one:
___ Individual ___ Corporation _____IRA ___ Estate ___ Other _____(specify)

Joint Owner's Name (if any)

20. At the close of business on May 5, 1993, I owned _____ shares of Bre-X common stock.

21. I made the following purchases of Bre-X common stock during the period May 6, 1993 and May 2, 1997, inclusive:

Date(s) of Purchase (List	Number of Shares of Bre-X Common Stock	Purchase Price Per Share of Bre-X	Aggregate Cost (including

Chronologically) (Month/Day/Year)	Purchased	Common Stock	commissions, taxes, and fees)
____/____/_____	_____	$ _____	$_____
____/____/_____	_____	$ _____	$_____
____/____/_____	_____	$ _____	$_____
____/____/_____	_____	$ _____	$_____

22. I made the following sales of Bre-X common stock during the period May 6, 1993 and May 2, 1997, inclusive:

Date(s) of Sale (List Chronologically) (Month/Day/Year)	Number of Shares of Bre-X Common Stock Sold	Sale Price Per Share of Bre-X Common Stock	Amount Received (net of commissions, taxes, and fees)
____/____/_____	_____	$ _____	$_____
____/____/_____	_____	$ _____	$_____
____/____/_____	_____	$ _____	$_____
____/____/_____	_____	$ _____	$_____

23. At the close of business on May 2, 1997, I still owned _____ shares of Bre-X common stock.

24. Substitute Form W-9

Request for Taxpayer Identification Number:

Enter taxpayer identification number below for the Beneficial Owner(s). For most individuals, this is your Social Security Number. The Internal Revenue Service ("I.R.S.") requires such taxpayer identification number. If you fail to provide this information, your claim may be rejected.

Social Security Number (for individuals) or

Taxpayer Identification Number
(for estates, trusts, corporations, etc.)

25. Certification

UNDER THE PENALTIES OF PERJURY, I (WE) CERTIFY THAT ALL OF THE INFORMATION PROVIDED ON THIS FORM IS TRUE, CORRECT AND COMPLETE.

I (We) certify that I am (we are) NOT subject to backup withholding under the provisions of Section 3406 (a)(1)(c) of the Internal Revenue Code because: (a) I am (We are) exempt from backup withholding, or (b) I (We) have not been notified by the I.R.S. that I am (we are) subject to backup withholding as a result of a failure to report all interest or dividends, or (c) the I.R.S. has notified me (us) that I am (we are) no longer subject to backup withholding.

NOTE:If you have been notified by the I.R.S. that you are subject to backup withholding, please strike out the language that you are not subject to backup withholding in the certification above.

Signature of Claimant (If this claim is being made on behalf of Joint Claimants, then each must sign)

(Signature)

(Signature)

Date:

THIS PROOF OF CLAIM MUST BE SUBMITTED NO LATER THAN _____, 2002, AND MUST BE MAILED TO:

In re Bre-X Securities Litigation Proofs of Claim
Deloitte & Touche Inc.
Suite 3000, Scotia Centre
700 Second Street, S.W.
Calgary, Alberta
Canada T2P 0S7
Attn: Rick Anderson

A Proof of Claim received by Deloitte shall be deemed to have been submitted when posted, if mailed by _____, 2002, and if a postmark is indicated on the envelope and it is mailed first class, and addressed in accordance with the above instructions. In all other cases, a Proof of Claim shall be deemed to have been submitted when actually received by Deloitte.

If you wish to be assured that your Proof of Claim is actually received by Deloitte then you should send it by Certified Mail, Return Receipt Requested. No acknowledgment will be made as to the receipt of claim forms. You should be aware that it will take a significant amount of time to process fully all of the Proofs of Claim and to administer the Settlement. This work will be completed as promptly as time permits, given the need to investigate and tabulate each Proof of Claim. Please notify Deloitte of any change of your address.

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION

LANE McNAMARA, et al.,	§	
Plaintiffs,	§	
v.	§	Civil Action No. 597CV159
	§	
BRE-X MINERALS LTD., et al.	§	
	§	
Defendants.	§	

SUMMARY NOTICE OF PENDENCY OF CLASS ACTION, PROPOSED SETTLEMENT WITH BRESEA RESOURCES LTD. AND SETTLEMENT HEARING

TO: ALL PERSONS WHO PURCHASED OR OTHERWISE ACQUIRED BRE-X MINERALS LTD. ("BRE-X") COMMON SHARES AND/OR BRESEA RESOURCES LTD. ("BRESEA") COMMON SHARES BETWEEN MAY 6, 1993 AND MAY 2, 1997, INCLUSIVE (THE "CLASS PERIOD"), AND WHO SUFFERED A LOSS AS A CONSEQUENCE OF DEALING IN SHARES OF BRE-X AND/OR BRESEA (THE "U.S. CLASS").

EXCLUDED FROM THE U.S. CLASS ARE ALL PERSONS IN CANADA WHO PURCHASED THEIR BRE-X AND/OR BRESEA SHARES SOLELY ON A CANADIAN STOCK EXCHANGE.

ALSO EXCLUDED FROM THE U.S. CLASS ARE ALL DEFENDANTS IN THIS ACTION, MEMBERS OF THEIR IMMEDIATE FAMILY AND/OR ANY SUBSIDIARY, AFFILIATE, OR EMPLOYEE OF EACH SUCH DEFENDANT, ANY ENTITY IN WHICH ANY EXCLUDED PERSON HAS OR HAD A CONTROLLING INTEREST, AND THE LEGAL REPRESENTATIVES, HEIRS, SUCCESSORS, AND ASSIGNS OF ANY SUCH EXCLUDED PERSON.

YOU ARE HEREBY NOTIFIED, pursuant to Rule 23 of the Federal Rules of Civil Procedure and an Order of the United States District Court, that the above-captioned action has been certified as a class action and that a proposed Settlement with defendant Bresea Resources Ltd. will affect the rights of all members of the U.S. Class. A hearing will be held before the Honorable David J. Folsom in the United States Courthouse, 500 State Line Avenue, 3rd Floor, Texarkana,

Texas 75501, at ___:_____ __.m., on _____, 2001 to determine whether the proposed settlement should be approved by the Court as fair, reasonable, and adequate, and to consider the application of Co-Lead Counsel for an award for the purpose of funding past and future costs and expenses.

IF YOU ARE A MEMBER OF THE CLASS DESCRIBED ABOVE, YOUR RIGHTS WILL BE AFFECTED AND YOU MAY BE ENTITLED TO SHARE IN THE SETTLEMENT FUND. If you have not yet received the full printed Notice of Pendency of Class Action, Hearing On Proposed Settlement With Bresea Resources Ltd. and Attorneys' Costs and Expenses Petition and Rights to Share in Settlement Funds (the "Notice") and Proof of Claim forms, you may obtain copies of these documents by identifying yourself as a member of the Class and by calling or writing to:

In re Bre-X and Bresea Securities Litigation
Claims Administrator
Post Office Box 990
Corte Madera, CA 94976-0990
(415) 461-0410

Inquiries, other than requests for the forms of Notice and Proof of Claim, may be made to either Co-Lead Counsel: H. Lee Godfrey, Esq., Susman Godfrey L.L.P., 1000 Louisiana, Suite 5100, Houston, Texas 77002, telephone (713) 651-9366; or R. Paul Yetter, Esq., Yetter & Warden, L.L.P., 600 Travis, Suite 3800, Houston, Texas 77002, telephone (713) 238-2000.

To participate in the Settlement, you must submit the applicable Proof(s) of Claim no later than _____, 2001. If you are a member of the U.S. Class and do not exclude yourself from the U.S. Class, you will be bound by the Order and Final Judgment of the Court. To exclude yourself from the U.S. Class, you must submit a request for exclusion postmarked no later than _____, 2001. If you are a member of the U.S. Class and do not submit a proper

Proof of Claim, you will not share in the Settlement but you nevertheless will be bound by the Order and Final Judgment of the Court.

Further information may be obtained by directing your inquiry in writing to the Claims Administrator.

By Order of The Court

UNITED STATES DISTRICT COURT
FOR THE EASTERN DISTRICT OF TEXAS
TEXARKANA DIVISION

LANE McNAMARA, et al.,	§	
Plaintiffs,	§	
v.	§	Civil Action No. 597CV159
	§	
BRE-X MINERALS LTD., et al.	§	
	§	
Defendants.	§	

ORDER AND FINAL JUDGMENT DISMISSING CLAIMS AGAINST DEFENDANT BRESEA RESOURCES LTD. ONLY

On the _____ day of _____, 2001, a hearing having been held before this Court to determine: (1) whether the terms and conditions of the Amended and Restated Settlement Agreement, dated _____, 2001 (the "Settlement Agreement"), are fair, reasonable and adequate for the settlement of all claims asserted by the U.S. Class against Bresea Resources Ltd. in the Fourth Amended Class Action Complaint filed in the Action (the "Complaint") now pending in this Court under the above caption, and should be approved; (2) whether judgment should be entered dismissing the Complaint on the merits and with prejudice in favor of Bresea Resources Ltd. only and as against all persons who are members of the U.S. Class herein who have not requested exclusion therefrom; and (3) whether and in what amount to make an award to Co-Lead Counsel for the purpose of paying past and future costs and expenses. The Court having considered all matters submitted to it at the hearing and otherwise; and it appearing that a notice of the hearing substantially in the form approved by the Court was mailed to all persons or entities reasonably identifiable, who purchased or otherwise acquired Bre-X common shares and/or Bresea common shares between May 6, 1993 and May 2, 1997, inclusive, and who suffered a loss as a consequence of dealing in shares of

Bre-X and/or Bresea, excluding all persons in Canada who purchased their Bre-X and/or Bresea shares solely on a Canadian stock exchange and excluding all defendants in the U.S. Class Action, members of their immediate family and/or any subsidiary, affiliate, or employee of each of such defendant, any entity in which any excluded person has or had a controlling interest, and the legal representatives, heirs, successors, and assigns of any excluded person, as shown by the records of Bre-X Minerals Ltd.'s transfer agent, and by the records of Bresea Resources Ltd.'s transfer agent, at the respective addresses set forth in such records, and that a summary notice of the hearing substantially in the form approved by the Court was published in the national edition of *The Wall Street Journal* pursuant to the specifications of the Court; and the Court having considered and determined the fairness and reasonableness of Co-Lead Counsel's request for an award of past and future costs and expenses; and all capitalized terms used herein having the meanings as set forth and defined in the Settlement Agreement.

NOW, THEREFORE, IT IS HEREBY ORDERED THAT:

26. The Court has jurisdiction over the subject matter of the Action, the Plaintiffs, the Class Representatives, all members of the U.S. Class, and defendant Bresea Resources Ltd.

27. The Court finds that the prerequisites for a class action under Fed. R. Civ. P. 23 (a) and (b)(3) have been satisfied in that: (a) the number of all members of the U.S. Class is so numerous that joinder of all members thereof is impracticable; (b) there are questions of law and fact common to the U.S. Class; (c) the claims of the Class Representatives are typical of the claims of the members of the U.S. Class they seek to represent; (d) the Class Representatives have and will fairly and adequately represent the interests of the U.S. Class; (e) the questions of law and fact common to the members of the U.S. Class predominate over any questions affecting only individual members of

the U.S. Class; and (f) a class action is superior to other available methods for the fair and efficient adjudication of the controversy.

28. Pursuant to Fed. R. Civ. P. 23, this Court hereby finally certifies this action as a class action on behalf of all persons who purchased or otherwise acquired Bre-X common shares and/or Bresea common shares between May 6, 1993 and May 2, 1997, inclusive, and who suffered a loss as a consequence of dealing in shares of Bre-X and/or Bresea, excluding all persons in Canada who purchased their Bre-X and/or Bresea shares solely on a Canadian stock exchange and excluding all defendants in the U.S. Class Action, members of their immediate family and/or any subsidiary, affiliate, or employee of each of such defendant, any entity in which any excluded person has or had a controlling interest, and the legal representatives, heirs, successors, and assigns of any excluded person. Also excluded from the U.S. Class are the persons and/or entities who requested exclusion from the U.S. Class as listed on Exhibit A annexed hereto.

29. Notice of the pendency of this Action as a class action and of the proposed Settlement was given to all members of the U.S. Class who could be identified with reasonable effort. The form and method of notifying the U.S. Class of the pendency of the action as a class action and of the terms and conditions of the proposed Settlement met the requirements of Fed. R. Civ. P. 23, Section 21D(a)(7) of the Securities Exchange Act of 1934, 15 U.S.C. 78u-4(a)(7) as amended by the Private Securities Litigation Reform Act of 1995, due process, and any other applicable law, constituted the best notice practicable under the circumstances, and constituted due and sufficient notice to all persons and entities entitled thereto.

30. The Settlement Agreement is approved as fair, reasonable and adequate, and, provided that the conditions precedent specified in paragraph 3 of the Settlement Agreement occur,

members of the U.S. Class and the parties are directed to consummate the Settlement Agreement in accordance with the terms and provisions of the Settlement Agreement.

31. The Complaint, which with respect to Bresea Resources Ltd., the Court finds was filed on a good faith basis in accordance with the Private Securities Litigation Reform Act and Rule 11 of the Federal Rules of Civil Procedure based upon all publicly available information, is hereby dismissed as against Bresea Resources Ltd. only, with prejudice and without costs, except as provided in the Settlement Agreement.

32. Co-Lead Counsel is hereby awarded $750,000 (CDN) from the Settlement Amount to be used for past and future costs and expenses, which the Court finds to be fair and reasonable. Co-Lead Counsel is also authorized to receive any amounts paid into the U.S. Trust from Recovered Monies as provided in paragraph 29(b) (ii).

33. Jurisdiction is hereby retained over the parties and members of the U.S. Class for all matters relating to this Action, including the administration, interpretation, effectuation or enforcement of the Settlement Agreement and this Order and Final Judgment.

34. Without further order of the Court, the parties may agree to reasonable extensions of time to carry out any of the provisions of the Settlement Agreement.

35. There is no just reason for delay in the entry of this Order and Final Judgment and immediate entry by the Clerk of the Court is expressly directed pursuant to Fed. R. Civ. P. 54 (b).

Dated: _____, 2001
Texarkana, Texas

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UNITED STATES DISTRICT JUDGE