

**MacDonald Oil Exploration Ltd., Re**

**Reference: Section 127, Section 127.1**

***In the Matter of the Securities Act, R.S.O. 1990, Chapter S.5, As Amended (the Act) and In the Matter of MacDonald Oil Exploration Ltd., MacDonald Mines Exploration Ltd., Mario Miranda and Frank Smeenk Citation: 24 O.S.C.B. 439***

**Court: Ontario Securities Commission**

**Judge: J.A. Geller, Robert W. Davis, Stephen N. Adams**

**Date: January 12, 2001**

**Year: 2001**

*WHEREAS* on January 8, 2001, the Ontario Securities Commission (The Commission) issued a notice of hearing pursuant to sections 127 and 127.1 of the Securities Act, R.S.O. 1990, c. S.5, as amended (At the Act), in respect of MacDonald Oil Exploration Ltd., MacDonald Mines Exploration Ltd., Mario Miranda and Frank Smeenk (The Respondents);

*AND WHEREAS* the Respondents entered into a settlement agreement dated January 8, 2001 (At the Settlement Agreement) in which they agreed to a proposed settlement of the proceeding, subject to the approval of the Commission;

*AND UPON* reviewing the Settlement Agreement and the statement of allegations of Staff of the Commission, and upon hearing submissions from counsel for the Respondents and from Staff of the Commission;

*AND WHEREAS* the Commission is of the opinion that it is in the public interest to make this order;

*IT IS ORDERED THAT:*

1. The Settlement Agreement, attached to this order, is hereby approved.
2. Each of the Respondents is hereby reprimanded.
3. MacDonald Oil will submit to a review by BDO Dunwoody of its practices and procedures including, without limitation, MacDonald Oil=s practices and procedures with respect to compliance by its directors, officers and principal shareholders (At the Review) and will institute such changes as may be recommended by BDO Dunwoody and/or by Staff, all at the sole expense of MacDonald Oil and all within the time frames set out by BDO Dunwoody after consultation with Staff. MacDonald Oil will report in writing to Staff and BDO Dunwoody as to the implementation of the recommendations made by BDO Dunwoody and/or by Staff within the time frames set out by BDO Dunwoody.
4. MacDonald Oil will make a payment in the amount of \$50,000 to the Commission in respect of a portion o the Commission=s costs with respect to this matter.
5. MacDonald Mines will make a payment in the amount of \$15,000 to the Commission in respect of a portion of the Commission=s costs with respect to this matter.
6. Miranda will make a payment in the amount of \$5,000 to the Commission in respect of a portion of the Commission=s costs with respect to this matter.

7. Smeenck will make a payment in the amount of \$5,000 to the Commission in respect of a portion of the Commission's costs with respect to this matter.
8. Commencing March 1, 2001, Miranda will cease trading in all securities for a period of six months, except that he may at any time dispose of any securities held by him on the date of this agreement.
9. Commencing March 1, 2001, Smeenck will cease trading in all securities for a period of one year, except that he may at any time dispose of any securities held by him on the date of this agreement.
10. Each of Miranda and Smeenck is prohibited from acting as an officer of MacDonald Oil for a period of two years, except that Smeenck may continue to hold his current position of executive vice-president of MacDonald Oil during such two-year period, provided that the position of executive vice-president of MacDonald Oil does not include any of the responsibilities that customarily are associated with the positions of chairman, president, chief executive officer, chief operating officer, chief financial officer, controller, treasurer or secretary of an issuer.
11. If either Miranda or Smeenck is an officer of MacDonald Oil as at the date of approval of this settlement, he will resign such office within ten days, subject to the exception with respect to Smeenck set out in paragraph 10 above.
12. Each of Miranda and Smeenck is prohibited from acting as the chair of the board of directors of MacDonald Oil and/or serving as a member of the audit, corporate governance, compliance or executive committees of the board of directors of MacDonald Oil for a period of two years. If either Miranda or Smeenck holds any such position as at the date of approval of this settlement, he will resign that position within ten days.