



MIRAMAR MINING CORPORATION

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Miramar Mining Reports Second Quarter Financial Results ***Yellowknife Operations Generate Free Cash Flow***

Vancouver, BC – Miramar Mining Corporation today announced the financial results of the second quarter of 2001. During the three-month period ending June 30, 2001, Miramar reported consolidated cash flow from operations before changes in working capital of \$954,000 compared to \$360,000 in the first quarter of 2001 and \$769,000 for the second quarter of 2000.

“During the first half of 2001 our Yellowknife operations delivered solid results generating free cash flow at current commodity prices while doing concurrent reclamation,” said Mr. Walsh, President & CEO. “Collectively the Con and Giant Mines generated approximately \$1.5 million in free cash flow after accounting for all direct site mining, milling and administrative costs, all mine development and capital expenditures and all concurrent arsenic remediation and reclamation activities. This puts us in an excellent position to meet or exceed our forecast for the remainder of the year.”

Operations

During the second quarter of 2001, the Con and Giant Mines produced and shipped a total of 36,760 ounces of gold at a cash cost of US\$255 per ounce, versus 30,060 ounces of gold at a cash cost of US\$269 per ounce in the same period of 2000. This brings first half 2001 production to 65,937 ounces at a cash cost of US\$258 per ounce versus 56,202 ounces at a cash cost of US\$276 per ounce during the same period in 2000. For further details on Miramar’s second quarter operations, please see the news release dated July 17, 2001 at www.miramarmining.com

Giant Mine

On June 22, 2001, Miramar announced that it had given notice to the Federal Department of Indian Affairs and Northern Development (DIAND) that it would return the Giant Mine property to DIAND effective December 14, 2001. Subsequent to the quarter end, Miramar announced that it had reached an agreement in principle with DIAND whereby Miramar Giant will extend operations at the Giant Mine until late 2002.

In addition, commencing December 14, 2001 and throughout the extended operations, DIAND has agreed to cover costs associated with environmental compliance and holding at the Giant Mine that were previously the responsibility of Miramar Giant. For further details on this agreement in principle please see the news release dated August 2, 2001 at www.miramarmining.com

Hope Bay Joint Venture (“HBJV”)

On May 9, 2001, the HBJV announced an increase in the 2001 exploration program to \$12.9 million, with additional work programs expected to follow. The goal of this additional work was to expand on the

newly discovered Naartok Zone and to further explore various other targets on the belt. In July 2001, HBJV approved an additional Phase 3 work program for the project comprised of 5,000m of core drilling and other activities at an estimated additional funding commitment of \$3.0 million. These expenditures increase the total approved expenditures for HBJV in 2001 to \$16.4 million (of which Miramar's share is \$8.2 million). The program will target extensions to the Naartok and Perrin Bulge zones, drill test exploration targets and fund preliminary scoping studies.

Financial Results

Miramar's consolidated loss of \$1,712,000 (\$0.03 per share) in the second quarter of 2001 compares to a loss of \$1,299,000 (\$0.03 per share) for the same period in 2000. Losses in the quarter result from operations in Yellowknife principally related to amortization of deferred development costs, costs of reclamation and cleanup in Nevada, corporate overhead and Miramar's equity in the loss from Northern Orion Explorations Ltd.. The first quarter 2001 loss was \$2,026,000 (\$0.03 per share) and was primarily the result of the same factors. In the quarter, Miramar ceased consolidation of Northern Orion as the result of Northern Orion's completion of a refinancing but still reports its share of Northern Orion's losses on an equity basis.

In the second quarter, Miramar realized an average selling price of C\$417 per ounce of gold, which compares favourably to the average spot price of C\$409 for the quarter. Miramar realized an average exchange rate of 1.545 Canadian on US dollar revenues during this period.

For further information on this news release or other Miramar news please see our website at www.miramarmining.com.

All financial results in this news release are reported in accordance with Canadian Generally Accepted Accounting Principles and all dollar amounts are quoted in Canadian dollars unless otherwise indicated.

This News Release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 concerning the Company's plans for the operation of the Con and Giant Mines, projected production and cost information, projected arsenic sludge treatment, the future role of the Company with the Giant Mine and the work planned in Phase 3 of the work program at Hope Bay. These forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ materially from those reflected in the forward-looking statements, including, without limitation, risks and uncertainties relating to fluctuating precious and base metals prices; uncertainties in interpreting drilling and other test results; uncertainty as to the actual ore grade and recovery rates; accidents, equipment breakdowns, labour disputes and severance costs or other unanticipated difficulties with or interruptions in production; possible problems with the arsenic waste processing program; the possibility of cost overruns and unexpected costs and expenses, including costs and expenses relating to environmental issues; risks and uncertainties relating to reaching agreement with DIAND on final documentation and of the continued cooperation of DIAND; and other risks and uncertainties, including those described in the Company's Annual Report on Form 20-F for the year ended December 31, 2000 and Reports on Form 6-K filed with the Securities and Exchange Commission.

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MIRAMAR MINING CORPORATION

Consolidated Balance Sheets

(expressed in thousands of dollars)

June 30, 2001 and December 31, 2000

	2001 (unaudited)	2000
Assets		
Current assets:		
Cash and cash equivalents	\$ 11,628	\$ 17,670
Accounts receivable	1,555	1,967
Inventory	9,528	9,207
Prepaid expenses	934	1,065
	23,645	29,909
Capital assets	68,628	117,856
Cash collateral deposits	4,559	4,546
Equity investment in Northern Orion Explorations Ltd. (note 3)	5,285	—
Other assets	14	203
	\$ 102,131	\$ 151,867
Liabilities and Shareholders' Equity		
Current liabilities:		
Accounts payable and accrued liabilities	\$ 6,512	\$ 8,711
	6,512	8,711
Reclamation liability	7,605	7,689
Deferred post-retirement benefits	1,652	1,556
Future income tax liability	1,680	1,680
Future income tax liability of subsidiary	—	15,990
Non-controlling interest	—	32,142
	17,449	67,118
Shareholders' equity:		
Share capital	234,954	231,282
Deficit	(150,272)	(146,533)
	84,682	84,749
	\$ 102,131	\$ 151,867

MIRAMAR MINING CORPORATION

Consolidated Statements of Operations and Deficit

(expressed in thousands of dollars except per share amounts)

For the three and six month periods ended June 30, 2001 and 2000

	Three months ended June 30, 2001 (unaudited)	Three months ended June 30, 2000 (unaudited)	Six months ended June 30, 2001 (unaudited)	Six months ended June 30, 2000 (unaudited)
Revenue:				
Sales	\$ 15,392	\$ 13,085	\$ 27,026	\$ 24,264
Other income	170	415	377	764
	15,562	13,500	27,403	25,028
Expenses:				
Cost of sales	13,355	11,050	23,816	20,451
Depreciation and depletion	2,435	2,524	4,799	4,927
General and administration	753	977	1,381	1,872
Administrative costs in Northern Orion	—	—	180	—
Exploration	—	80	12	80
Foreign exchange loss	38	(20)	3	88
Reclamation	381	319	709	587
Severance and terminations	54	—	93	—
Write-down of mineral properties	—	9	—	316
	17,016	14,939	30,993	28,321
Loss from operations before non-controlling interest and equity in loss of Northern Orion	1,454	1,439	3,590	3,293
Equity in loss of Northern Orion	258	—	258	—
Non-controlling interest	—	(140)	(109)	(453)
Loss for the period	1,712	1,299	3,739	2,840
Deficit, beginning of period	148,560	104,683	146,533	103,142
Deficit, end of period	\$ 150,272	\$ 105,982	\$ 150,272	\$ 105,982
Loss per share – basic and diluted	\$ 0.03	\$ 0.02	\$ 0.06	\$ 0.05
Weighted average number of common shares outstanding	60,193,470	56,693,804	60,185,832	56,693,804

MIRAMAR MINING CORPORATION

Consolidated Statements of Cash Flows

(expressed in thousands of dollars)

For the three and six month periods ended June 30, 2001 and 2000

	Three months ended June 30, 2001 (unaudited)	Three months ended June 30, 2000 (unaudited)	Six months ended June 30, 2001 (unaudited)	Six months ended June 30, 2000 (unaudited)
Cash provided by (used in):				
Operations:				
Loss for the period	\$ (1,712)	\$ (1,299)	\$ (3,739)	\$ (2,840)
Items not involving cash:				
Depreciation and depletion	2,435	2,524	4,799	4,927
Write-down of mineral properties	—	9	—	316
Reclamation	9	125	(84)	83
Other	(36)	282	189	330
Equity in loss of Northern Orion	258	—	258	—
Non-controlling interest	—	(140)	(109)	(453)
Net change in non-cash working capital:				
Decrease (increase) in accounts receivable	134	160	412	78
Decrease (increase) in inventories	690	(523)	(321)	(1,964)
Decrease (increase) in prepaid expenses	244	1,068	131	484
Increase (decrease) in accounts payable and accrued liabilities	(2,733)	(811)	(2,199)	542
	(711)	1,395	(663)	1,503
Financing:				
Issue of common shares for cash, net	3,672	—	3,672	—
	3,672	—	3,672	—
Investments:				
Expenditures on mine, plant and deferred exploration	(3,571)	(3,579)	(9,038)	(8,897)
Proceeds on sale of short-term investments	—	—	—	526
Collateral deposits	—	(294)	(13)	(342)
Other assets	—	(58)	—	—
	(3,571)	(3,931)	(9,051)	(8,713)
Decrease in cash and cash equivalents	(610)	(2,536)	(6,042)	(7,210)
Cash and cash equivalents, beginning of period	12,238	19,063	17,670	23,737
Cash and cash equivalents, end of period	\$ 11,628	16,527	\$ 11,628	\$16,527
Supplementary information:				
Income taxes paid	\$22	\$39	\$26	\$10

Notes to Consolidated Interim Financial Statements
(Tabular Dollar Amounts Expressed in Thousands of Dollars)

1. Interim Financial Statements:

These interim financial statements should be read in conjunction with the consolidated financial statements and notes thereto included in the Company's Annual Report for the year ended December 31, 2000.

The quarterly results are not necessarily indicative of results to be expected for an entire year.

2. Change in Accounting Policy:

Earnings (loss) per share:

Effective January 1, 2001, the Canadian Institute of Chartered Accountants established new recommendations for the calculation and reporting of basic and diluted earnings per share. The Company has adopted the new recommendation retroactively.

3. Northern Orion Explorations Ltd.:

During the quarter, as part of a financial restructuring of Northern Orion Exploration Ltd., the Company granted an option allowing the holder to purchase approximately 60 million shares of Northern Orion from the Company for \$0.08 per share. This option granted voting rights over the shares under option to the holder effective April 30, 2001. As a result, the Company no longer controls Northern Orion and ceased consolidation of its investment in Northern Orion. Commencing May 1, 2001, the Company accounts for its investment in Northern Orion using the equity method of accounting. The carrying amounts for the assets and liabilities of Northern Orion removed from the balance sheet were as follows:

		(in \$000)
Current assets	\$	102
Capital assets		54,345
Less:		
Current liabilities		(845)
Reclamation liabilities		(36)
Future income taxes		(15,990)
Non-controlling interest		(32,033)
Net assets being the equity carrying value	\$	5,543
Carrying value of investment in Northern Orion at May 1, 2001, net of cumulative writedowns, based on the equity method	\$	5,543
Equity in loss for the period from May 1, 2001 to June 30, 2001		(258)
	\$	5,285

The option granted by the Company for the purchase of 60 million shares in Northern Orion expires June 30, 2002. If the holder of the option acquires the shares, the Company has also agreed to sell the remaining debts receivable from Northern Orion of \$6.9 million for nominal consideration. The Company would retain 10 million shares of Northern Orion which, should the option be fully exercised, represents less than 10% of Northern Orion.

4. Loss per share:

Diluted loss per share is not calculated as the issue of shares under the terms of Special Warrants and the potential issue of common shares under the Company's stock appreciation rights plan would be anti-dilutive to the common shareholders.

Options and warrants to purchase up to a total of 3,061,588 common shares at various prices, from \$0.70 to \$7.35 per share were outstanding during the second quarter of 2001 but were not included in the computation of diluted earnings (loss) per share as the options' exercise would be anti-dilutive to loss available to common shareholders.

Also excluded from the calculation of diluted earnings (loss) per share are the Special Warrants under which the Company is obligated to issue 3,076,838 common shares as the impact of the Special Warrants would be anti-dilutive.

5. Share Capital:

(a) Common shares issued and outstanding:

	Number of shares	Amount
Issued, December 31, 2000	60,165,447	\$ 231,282
Shares issued:		
On exercise of stock appreciation rights	24,255	—
Issued, March 31, 2001	60,189,702	\$ 231,282
Shares issued:		
On exercise of stock options	22,000	21
Proceeds of special warrants issue, net of costs	—	3,651
Issued, June 30, 2001	60,211,702	\$ 234,954

(b) Special Warrants:

During the second quarter, the Company completed a private placement of 3,076,838 Special Warrants. The gross proceeds of the offering of Special Warrants of \$3,999,890 must be used by the Company to incur Canadian Exploration Expenditures as defined by the Canadian Income Tax Act on the Hope Bay Project. Under the terms of the offering, which closed on May 11, 2001 and May 30, 2001, the Company issued 1,025,123 Special Warrants at a price of \$1.30 per Special Warrant for proceeds of \$1,332,660 and 2,051,715 Special Warrants at a price of \$1.30 per Special Warrant for proceeds of \$2,667,230, respectively.

The gross proceeds of the offering of \$4,000,200 will be used by the Company to incur Canadian Exploration Expenditures as defined by the Canadian Income Tax Act. Each Special Warrant will convert, without future consideration, into one flow-through common share. Total broker's commissions of \$248,812 were incurred on closing. In addition, the Broker received an option to purchase 206,116 common shares at \$1.30 per share that

expires in May 2003. The Company has agreed to qualify the distribution of the common shares to be issued on conversion of the Special Warrants and Broker's Warrants should it file a prospectus with the securities commissions of British Columbia and Ontario in the next 12 months.

(c) Stock options:

The Company had stock options outstanding as follows:

	Shares under option	Average exercise price
Outstanding, December 31, 2000	1,855,000	\$ 4.01
Granted	890,500	1.00
Exercised	(130,000)	(0.98)
Issued, March 31, 2001	2,615,500	\$ 3.14
Granted	28,621	1.00
Exercised	(22,000)	(0.96)
Issued, June 30, 2001	2,622,121	\$ 3.13

Options issued during the current year expire in 2006.

(d) Warrants:

In the second quarter, as part of the Special Warrants private placement completed by the Company, the Broker received an option to purchase 206,122 common shares at \$1.30 per share exercisable until May 10, 2003. At December 31, 2000, a non-transferable Broker's Warrant issued by the Company entitling the holder to acquire up to 233,345 common shares of the Company at a price of \$1.25 was outstanding. This Broker's Warrant expires on September 7, 2001.

6. Business segments:

3 months ended June 30, 2001	Capital expenditures	Revenues	Loss before non- controlling interest and equity loss
Gold operations	\$ 890	\$ 15,386	\$ 651
Gold exploration	2,681	—	—
Northern Orion	—	—	—
Other	—	176	803
	\$ 3,571	\$ 15,562	\$ 1,454

3 months ended June 30, 2000		Capital expenditures	Revenues	Loss before non-controlling interest and equity loss
Gold operations		\$ 1,989	\$ 13,085	\$ 250
Gold exploration		574	—	—
Northern Orion		435	8	370
Other		581	406	819
		\$ 3,579	\$ 13,500	\$ 1,439

6 months ended June 30, 2001	Capital assets	Capital expenditures	Revenues	Loss before non-controlling interest and equity loss
Gold operations	\$ 20,427	\$ 3,268	\$ 27,020	\$ 2,061
Gold exploration	31,221	5,704	—	—
Northern Orion	15,000	66	20	242
Other	1,980	—	363	1,287
	\$ 68,628	\$ 9,038	\$ 27,403	\$ 3,590

6 months ended June 30, 2000		Capital expenditures	Revenues	Loss before non-controlling interest and equity loss
Gold operations		\$ 5,141	\$ 24,264	\$ 898
Gold exploration		2,200	—	—
Northern Orion		817	14	1,064
Other		739	750	1,331
		\$ 8,897	\$ 25,028	\$ 3,293

7. Financial instruments:

Gold and foreign currency hedging:

As at June 30, 2001, the Company had entered into the following gold contracts:

	Ounces	Average price per ounce	Anticipated delivery/expiry
Gold forward sales contracts	24,000	US\$272	Q3 2001
Gold call options sold	27,500	US\$290	Q3 2001
Gold call options sold	18,000	US\$285	2002
Gold call options sold	18,000	US\$285	2003

At June 30, 2001, the Company has entered into forward exchange contracts to sell US\$1 million at an average rate of 1.5517 in July 2001. The unrecognized gain of \$37,000 will be reflected in revenues in the contract period. The fair value excess (deficit) of gold derivative instruments at June 30, 2001 are as follows – gold forward sales contracts \$25,000, gold call options sold (\$541,000).

8. Comparative figures:

Certain comparative figures have been reclassified to conform with the classification adopted in the current period.