



MIRAMAR MINING CORPORATION

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September 5, 2000

NEWS RELEASE 00-22

MAE - TSE
MAENF-OTC Bulletin Board

Miramar proposes to Sell Majority of its Northern Orion Interest for \$8.4 million

- Miramar retains exposure to upside through ownership of 13 million shares and royalty interest -

VANCOUVER — Miramar Mining Corporation today announced that it has entered into a letter agreement with a Canadian securities dealer (the "Agent"), whereby the Agent have the right to acquire for purposes of resale, on a best efforts basis, certain securities including the 42.4 million of the approximately 55.5 million shares of Northern Orion Explorations Ltd. currently owned by Miramar in exchange for \$8.4 million. Miramar would retain approximately 13 million shares of Northern Orion, an \$800,000 two-year note and its \$18 million royalty on production[†].

"This transaction would complete the reorganization of Miramar commenced in March 1999," said Tony Walsh, Miramar's President and CEO. "Northern Orion has some excellent copper assets with significant upside potential and we would retain considerable exposure to that upside by retaining approximately 13 million shares and the existing production royalty. With the implementation of our Northern Strategy developing very well, I believe the timing is appropriate to completely focus our company's energies and resources on building on our Hope Bay and Yellowknife operations."

"Completion of this transaction would result in a significant increase in Miramar's working capital without any associated equity dilution[†]," said Mr. Walsh. "Realizing cash on an asset that has largely been ignored by investors is a very positive step in bringing value to our shareholders and we can clearly put this cash to use in generating value from our gold assets[†]. The sale of our controlling interest in Northern Orion would further streamline our organization and result in further reductions in G&A costs, which are already down significantly from 1999 levels[†]."

Agreement

Miramar has agreed to sell to the Agent at the Agent's election any time prior to October 17, 2000, for purposes of conversion and resale, 42.4 million of its approximately 55.5 million issued shares in Northern Orion, \$1.9 million of the \$2.7 million Note held by Miramar and the Northern Orion \$23.6 million Convertible Debenture that matures in September 2003, for \$8.4 million in cash, which would be payable to Miramar on closing. As a condition of the deal, Miramar has further agreed to a partial settlement of the existing \$2.7 million note due in June 2001 with a new note of \$800,000 which would be payable to Miramar in \$400,000 installments by Northern Orion on the first and second anniversaries of the closing, in cash or shares of Northern Orion at Northern Orion's election[†].

At the same time as the closing between Miramar and the Agent, Miramar has been advised that Northern Orion plans to complete a financing for \$6-8 million to fund its on-going activities[†]. "Northern Orion would emerge as a well financed, debt free exploration company well positioned to advance its exciting copper properties in Cuba and Argentina as a result of these transactions[†]," said Mr. Walsh. "This would

benefit Miramar through its significant shareholding and, by advancing the copper properties towards production, makes realization on the royalty a higher probability[†]."

Miramar would retain approximately 13 million shares of Northern Orion or approximately 15% of the issued shares before completion of the anticipated Northern Orion financing, half of which may be sold at a rate of 100,000 per month in the market or in blocks of 500,000 or more shares to institutional investors. The remaining shares may be sold in increments of 500,000 or more shares commencing on the second anniversary of closing, subject to a first right of refusal to the Agent on the second half of the shares. Miramar has agreed that all retained shares will be subject to a voting trust in favor of Northern Orion management.

Miramar would retain the existing royalty & sales proceeds interest in Northern Orion's mining assets. The interest is an obligation to pay an equivalent to a 2.5% NSR in any production from any of Northern Orion's mining properties to a maximum of \$18 million. In addition, if Northern Orion sells any of its mining assets, it would pay to Miramar 50% of the net proceeds of the sale up to the maximum of \$18 million.

"We have decided to focus on gold and delivering on our Northern Platform, particularly the exciting Hope Bay project where we have had tremendous results from this year's work," said Tony Walsh. "Nevertheless, we will retain approximately 13 million shares of Northern Orion and the production royalty, which provide significant potential for further appreciation in value if copper prices recover[†]."

The transaction is expected to close by October 17, 2000[†]. Closing of the proposed transaction is subject to, among other things, completion of due diligence by the agents, conversion and resale by the agents of the Northern Orion securities to third parties and any required regulatory approval.

Neither the Northern Orion securities being sold by Miramar nor any securities that may be offered by Northern Orion in any future financing will be registered under the United States Securities Act of 1933, as amended, or the securities laws of any state. These securities may not be offered or sold in the United States or to U.S. persons without registration unless an exemption from registration is available.

[†] This News Release contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 concerning the proposed agreement to sell shares and debt of Northern Orion Explorations Ltd., the use of the proceeds of the agreement for funding work at the Hope Bay project, Miramar's plans and expectations for the Hope Bay project and the proposed financing by Northern Orion. 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 this forward-looking statement, including, without limitation, extraordinary changes in commodity or market prices generally or material adverse changes in the Company's or Northern Orion's business which result in the proposed agreement not being completed, the Agent's ability to sell the securities, closing conditions of the agreement not being met, the possibility of adverse developments at the Hope Bay project or unanticipated costs of bringing the Hope Bay project to a production decision resulting in additional funding being required by the Company, and Northern Orion being unable to complete its equity financing and continue its operations, and other risks and uncertainties, including those described in the Company's Annual Report on Form 20-F for the year ended December 31, 1999 and Reports on Form 6-K filed with the Securities and Exchange Commission.

Certain forward-looking statements in this report are indicated with a "†".

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