

Miramar Mining Corporation



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Tony P. Walsh

MIRAMAR'S HOPE BAY

"MAYBE THE BEST UNDERDEVELOPED GOLD PROJECT IN NORTH AMERICA"

Tony Walsh, CEO and President, Miramar Mining Corporation

Interview by Lawrence Stephenson

A more aggressive approach to the exploration of the Hope Bay belt is planned", Tony Walsh, Miramar President & CEO said. "Rather than waiting until 2001 to resume drilling, we now plan to accelerate our exploration activities. This move is warranted by the excellent exploration results received in the recently completed 40,000 metre drill program. The results from that drill program confirm our belief that Hope Bay is the best undeveloped gold project in Canada and has tremendous potential for the discovery of additional high grade resources."

A newly announced \$4 million proposal financing for the expansion of exploration activity for the remainder of this year by Miramar Mining Corporation's wholly owned subsidiary, Miramar Hope Bay Ltd., and Hope Bay Gold Corporation, formerly Cambiex, at their jointly owned Nunavut property has been sparked by recent drilling confirming the Boston deposit at Hope Bay is the centre of a major mineralized system. Drilling to date has also resulted in definition of the highgrade, significantly thickened Hinge Zone, plus the definition of the very high grade, near surface, Central Vein at Doris North.

The expanded program brings drilling investment at Hope Bay to a total of \$17 million for this year.

The new drill results support a statement made by Tony Walsh at Miramar's Annual General Meeting earlier in the year, "We believe that this is the best undeveloped gold project in North America and our plan is to make it the best developed gold project in North America."



Photo courtesy of Miramar Mining Corporation

The Hope Bay property, approximately 700 kilometers north east of Yellowknife, was initially owned by BHP Diamonds Inc., a subsidiary of Australian giant BHP. Mr. Walsh recalls that, "they spent about \$85 million on it between 1992 and 1997. Then, BHP ran into some significant corporate issues, they had some big write-offs, changed their senior management and re-focused. One of the decisions they made was to exit the gold industry worldwide."

They sold all their gold assets and put the Hope Bay project up for bids. They initially asked for quite a high price, but with the gold price coming down in 1997 and 1998 it was a price considered too high by major mining companies.

Hope Bay Gold Corporation, at that time Cambiex Explorations, recognized the value at Hope Bay and they stayed in the process. They were backed by a company called Cambior. Cambior provided the financial backing for Cambiex to acquire Hope Bay, but Cambior had over hedged and had to withdraw their backing. So Cambiex needed someone to come in and that's when they contacted Miramar last December.

"We were focusing on gold and the North. We were somewhat familiar with this project, we really liked it, we did our due diligence and acquired half of it."

Looked at as a gold exploration development project, what attracted Miramar to Hope Bay, Walsh says, "that BHP had identified a resource of about 4.28 million ounces of gold in 12.8 million tonnes for the Boston, Doris and lower grade Madrid deposit. The grade of that resource was high, the one deposit, Doris, was about 18 grams, the larger one, Boston, about 13 grams, so it's very high grade. The grade clearly drives your cost."

"A lot of work was done by BHP. They spent \$85 million and did a tremendous amount of drilling. They had gone underground at Boston and had built a decline, going down about 200 metres. They had done a lot of underground work, sampling and underground drilling, and that increased our confidence level. The deposits seem to be relatively shallow."

Brian Labadie, Miramar Senior Vice-President, Operations, says, "there's significant mineralization from surface to 300 metres."

All of that, Walsh says, "is what attracted us in December 1999. If you look at what's happened

since then, we've had a series of positive surprises. Our grade would appear to be on average higher than what BHP had. We understand the ore body better now, as you would expect from all the drilling we've done. We've identified new zones."

"It's been an extremely positive program this year. We've had objectives we wanted to achieve and we just had great results."

Walsh joined Miramar in 1995 as chief financial officer and was named interim President in March 1999 and President in August. After the change of management, the company strategy focused on maintaining a solid balance sheet, maximizing existing assets, and to do creative corporate transactions.

"What we looked at," Walsh says, "was what type of organization we felt was necessary, so we came at it from that basis and essentially, based on the company and the fact that gold markets have been extremely difficult, we felt we had to cut back to build the most efficient organization we could. We had to cut employees, it's a very difficult process, an unfortunate process because we had to cut back on people. It also puts more pressure on our exist-

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Brian Labadie notes, "As part of this entire



Miramar Mining and Hope Bay Gold control

"To conclude," Tony Walsh says "a company is only as good as its management team. Our management's ultimate goal and continuing mission is to generate attractive returns for our shareholders. Good proactive habits, solid and successful practices in dealing with local communities and government agencies, good well trained and knowledgeable people: that's what Miramar is all about, and what we believe, is the key to our success."



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