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Miramar to acquire 50% Interest in 4.3 Million Oz⁺ Hope Bay Gold Project

VANCOUVER — Miramar Mining Corporation announced today that it has entered into an agreement with Cambiex Exploration Inc. to acquire a 50% interest in the four million oz plus⁺ Hope Bay gold project in Nunavut for US\$13.34 million in cash. The acquisition is scheduled to close contemporaneously with Cambiex's acquisition of Hope Bay from BHP Diamonds Inc on December 13, 1999⁺.

"We are extremely excited about the proposed acquisition of Hope Bay," said Miramar President and CEO, Tony Walsh. "This acquisition is in line with our strategy to grow our production base in the north and it will fit well with our operations at the Con Mine, as well as the proposed acquisition of the Giant Mine. We see excellent potential for synergies with our northern operating group, whose skills and experience we plan to use to advance this project rapidly towards a production decision."

"We believe that Hope Bay is one of the best undeveloped gold projects in Canada, with in excess of four million ounces of gold in resources⁺ already defined, giving Miramar an effective purchase price of US\$6 per oz of resource going in, without diluting our shareholders! We believe the exploration potential at Hope Bay is tremendous and with this acquisition, we will have access to the entire 85km gold belt. We also look forward to working closely with the government of Nunavut, the Kitikmeot Inuit Association and Nunavut Tunngavik Inc., the local self government agencies that own the surface rights and certain sections of the mineral rights, to maximize the benefit of this project to all parties," affirmed Mr. Walsh⁺. "Over the years we have built a good working relationship with government agencies in the north and we look forward to expanding this with our involvement in Hope Bay".

"Miramar brings a lot of experience in operating in the north with this type of greenstone hosted gold deposit," said Mr. Walsh. "Our staff at the Con Mine has extensive experience in operating very similar types of mineral deposits in northern Canada, which will be a real benefit to the Hope Bay project. In addition, Brian Labadie, Senior Vice President of Operations, has over 20 years of operating experience at mines in Canada's far north, including the Con, Lupin, Pine Point and Polaris. His experience gives us a great deal of comfort in taking on a project like Hope Bay," he said.

Mr. Walsh also stated "We are pleased to have the opportunity to partner with Cambiex, whose principals have an excellent track-record in the mining business and have made significant improvements to the potential project value through their innovative approach to the project. Hope Bay offers excellent potential for the development of a large low cost gold mine in the north⁺."

Hope Bay Project

Hope Bay is a newly discovered Archean gold belt, similar to other major gold producing regions of Canada. The initial discovery of gold mineralization in 1992 led BHP to acquire virtually all of the Hope

Bay belt and the property holdings acquired cover 1,016 sq. km. The Hope Bay project came available due to BHP's corporate decision to sell its gold assets and focus on its other core businesses.

Since 1992, BHP expended \$85 million on exploration, including 580,000 feet of core drilling, which has defined an inferred resource of 4.28 million oz of gold in three deposits as detailed below[†].

<u>Zone</u>	<u>Tons</u> <u>(Millions)</u>	<u>Grade</u> <u>(g/t)</u>	<u>Contained</u> <u>Gold (oz)</u>
Boston	5.666	13.10	2,391,352
Doris	2.100	17.80	1,200,000
Madrid	5.030	4.26	690,000
Total	12.796	10.40	4,281,352

The Boston deposit consists of classic Archean greenstone-style gold mineralization, very similar to the previously mined high grade zones at the Con Mine, and is comprised of multiple parallel lenses of high-grade gold mineralization in close proximity. The Doris resources occur in laterally and vertically extensive high-grade quartz veins. Madrid is a lower grade, near surface deposit with more complex geology.

In 1996-97, BHP completed 2.3km of underground development at Boston, with a ramp accessing the deposit in two levels up to 200m below surface. The ramp provided access for 16,500 meters of close spaced underground core drilling in 230 holes, as well as the collection of 16,761 tonnes of bulk sampling. Doris and Madrid have been tested only from surface.

Exploration Potential

"The Hope Bay project has tremendous exploration potential," stated Mr. Walsh. "In only five years, more than four million oz[†] of gold resources have been defined and we believe the potential of the belt may be much greater. [†] The main deposits are open in all directions and numerous targets remain to be tested. With control of almost the entire 85km gold belt, we expect to see significant additions to our resource base[†]," he said.

The two main deposits with defined resources, Boston and Doris, are open in all directions and offer significant potential for expansion[†]. Boston has only been tested to depths of 780 meters below surface, where the deepest holes still contain significant gold grades. Possible strike extensions to the north and south remain to be evaluated. The Doris veins are laterally and vertically extensive, come to surface and are high grade. The Central vein has been traced over 2.9km and to depths of 590m; it averages 4.2m thick and grades 18.5 g/t gold. The Lakeshore vein averages 4.16m thick and grades 15.86 g/t gold. It has been traced for 3km and to depths of 470m. The resources are contained in only a small portion of these veins that have been tested to date.

Outside of the two main deposits there are a significant number of other deposits and targets identified in this 85km belt, some of which have defined resources such as Madrid, to targets with single high-grade intercepts or surface rock sample anomalies of high interest. Madrid is the most advanced target, while reviews suggest the South Patch area offers the best immediate potential for additional high-grade resources to be defined[†].

Acquisition Agreement

"On the basis of the agreement with Cambiex, Miramar's effective acquisition cost for its interest in Hope Bay will be US\$13.34 million. This is just over US\$6 per ounce of resource, which we believe is a very attractive acquisition price for a high-grade gold resource in Canada," said Mr. Walsh.

In order to earn its 50% interest, Miramar will pay US\$13.34 million of the acquisition price from BHP, with Cambiex paying US\$5.84 million. Cambiex will fund the first US\$1.3 million of exploration expenses at Hope Bay; Miramar will fund the next US\$2 million, with Cambiex providing the next US\$4.7 million. Thereafter, Miramar and Cambiex will fund activities on a 50-50 basis. Exploration activities will be managed by Cambiex, while feasibility work and operations will be managed by Miramar, all under a joint venture agreement and under the supervision of a joint management committee.

Closing of the agreement with Cambiex is subject to, among other things, completion of the purchase from BHP, the release of funds from escrow related to Cambiex's recent financing and final regulatory approval.

Development Plans

Miramar and Cambiex plan to immediately initiate an extensive exploration and reserve development program focused on the Boston and Doris deposits. Work is planned to commence in January with a 25,000 meter surface and underground drilling program, which is intended to advance a substantial portion of the resources at Boston and Doris to the measured and indicated category, allowing conversion to proven and probable reserves as economic parameters are finalized[†].

The Hope Bay JV hopes to have a final resource estimate completed during the third quarter of 2000 sufficient to justify initiating a feasibility study and permitting work at that time. "Currently, we envision the development of a 1,800-2,000 tpd gold mine producing in excess of 300,000 oz of gold per year at cash costs well below US\$200 per oz[†]," confirmed Mr. Walsh. "Capital costs are estimated to be in the range of US\$100-150 million, with the capital and operating cost estimates based on work done by BHP and consultants to Cambiex[†]."

Corporate Strategy

"Hope Bay fits well with our northern strategy, as it takes full advantage of our financial and operating experience in the north and will be completed without diluting our shareholders at low equity prices. The acquisition will leave Miramar with a strong balance sheet and well positioned to take advantage of other corporate opportunities as they arise[†]."

Miramar continues to evaluate producing acquisition opportunities but is focusing its efforts on low operating cost assets that would be able to withstand the uncertainties of the current gold market. "The best hedge against a low gold price is a low operating cost," said Mr. Walsh. "That is why Hope Bay is an attractive investment: it offers potential for significant, low cost gold production[†]."

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†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 acquisition of the Hope Bay project and the plans for the future potential of Hope Bay if it is acquired. 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, that no additional mineralization may be found through future work, that additional drilling at Boston and Doris may not support the conversion of resources to reserves, that additional work may not support a feasibility study, that capital and operating costs may be higher than currently estimated and may preclude commercial development, inability to complete the acquisition of the Hope Bay Project, risks and uncertainties relating to fluctuating precious and base metals prices; recovery rates; accidents, equipment breakdowns, labour disputes and severance costs or other unanticipated difficulties with or interruptions in production, the possibility of unexpected costs and expenses relating to environmental issues, uncertainties relating to the need for government approvals and the cooperation of government agencies in regards to any environmental liabilities and other risks and uncertainties, including those described in the Company's Annual Report on Form 20-F for the year ended December 31, 1998 and Reports on Form 6-K filed with the Securities and Exchange Commission.

All resource estimates reported in this disclosure are calculated in accordance with Toronto Stock Exchange National Instrument 43-101 and the Canadian Institute of Mining and Metallurgy Classification system. These standards differ significantly from the requirements of the United States Securities and Exchange Commission, and resource information reported in this disclosure may not be comparable to similar information reported by United States companies. The terms "Resource" and "Resources" normally may not be included in documents filed with the Securities and Exchange Commission or are referred to as "mineralization" or "mineral deposits".

Certain forward looking statements in this report are indicated with an †