

FORM 27

Material Change Report

Under:

Section 85(1) of the *Securities Act* (British Columbia)

Section 118(1) of the *Securities Act* (Alberta)

Section 75(2) of the *Securities Act* (Ontario)

Item 1 Reporting Issuer

Northern Orion Explorations Ltd.

311 West First Street

North Vancouver, British Columbia, V7M 1B5

Telephone: (604) 980-0573

Item 2 Date of Material Change

July 4, 2000.

Item 3 Press Release/Publication/Filing

A press release providing notice of the material change was issued on July 4, 2000 (copy attached).

Item 4 Summary of Material Change

The Company and its major shareholder, Miramar Mining Corporation ("Miramar") have now concluded an agreement pursuant to which Miramar will advance to the Company an additional \$675,000, to provide the Company with working capital. The transaction subject to the agreement is a "related party transaction" under Rule 61-501. The transactions were reviewed by a special committee of the independent directors of the Company (the "Special Committee"), and the Special Committee determined that the terms of the transactions were fair and reasonable under circumstances and the transactions are beneficial to and in the interests of the Company and its shareholders, including minority shareholders. The Special Committee also determined that in the circumstances the "financial hardship" exemption in sections 5.6(8) and 5.8(5) of Rule 61-501 would be applicable.

The effect of the agreement is to provide relief from the working capital maintenance requirements under existing agreements between the Company and Miramar, through to September, 2000 and to provide the Company with additional working capital. In consideration for the advance the Company will, subject to regulatory approval, issue to Miramar 400,000 common shares.

Item 5 Full Description of Material Change

(a) Description of the Transaction

The Company has concluded an agreement with the Company's principal shareholder, Miramar, pursuant to which:

- Miramar will make an additional \$675,000 available to the Company over the next 3 months (to September, 2000);
- Existing security granted to Miramar for existing indebtedness will be extended to cover the additional advances;
- Miramar will receive, subject to regulatory approval, 400,000 Common Shares of the Company;
- Miramar will waive working capital maintenance requirements of the Company to September 15, 2000, once it receives 400,000 Common Shares of the Company.

The Company has executed and delivered to Miramar a promissory note (the "Replacement Note") in the amount of \$2.675 million, bearing interest at prime plus 2% and due on demand after June 30, 2001. The Replacement Note supercedes and replaces a previously issued promissory note in the principal amount of \$2 million and has the same material terms as the previous note.

(b) Reasons for the Transaction:

Under existing agreements with Miramar the Company was obliged to maintain a working capital position of \$1,000,000 per month. The Company has not been able to meet that requirement and advised that it would not meet the requirement and requested a waiver and additional financial support, pending obtaining financing from alternate sources.

(c) Effect of the Transaction on Issuer's Business and Affairs:

The Transaction provides the Company with working capital, and will allow the Company's new management an opportunity to continue restructuring efforts and pursue alternative sources of financing.

(d) Relevant History of the Subject Matter of the Transaction:

On April 4, 2000, the Company completed a restructuring of debt owed to Miramar (see Material Change Report dated, April 5 2000). While the Company is currently pursuing financing alternatives it requires additional working capital to continue operations pending obtaining such financing. The Company is unable to comply with the working capital maintenance

requirements of the April 4, 2000 debt restructuring agreements. Miramar has agreed to make additional working capital available to the Company and to waive the working capital maintenance requirements to September 15, 2000.

- (e) Interest in the Transaction of Miramar Mining Corporation, Its Insiders, Associates and Affiliates and Any Other Related Party:

Insiders, Associates, Affiliates and other Related Parties of Miramar own a total of 2,971,559 Shares of Miramar and hold options to purchase an additional 97,600 Shares of Miramar. To the knowledge of the Company, the same persons, together with Miramar, own a total of 55,941,850 Shares of the Company, and hold options to acquire an additional 1,265,000 Shares of the Company.

- (f) Effect of the Transaction on Miramar Mining Corporation and Related Parties:

Miramar's equity interest in the Company will be increased by 400,000 Shares, bringing its percentage interest in the Company to 62.6%.

- (g) Nature of Any benefit to Accrue to Related Parties as a result of the Transaction:

[Insiders and Related Parties will not secure any benefit not shared proportionately by all shareholders of the Company.]

- (h) Review and Approval Process for the Transaction:

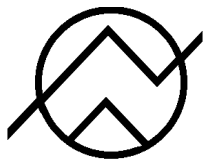
The proposed transactions were reviewed by Special Committee of independent directors of the Company, who determined that the terms of the transactions were fair and reasonable under the circumstances and the transactions were beneficial to and in the interests of the Company and its shareholders, including minority shareholders. The Special Committee also determined that in the circumstances the "financial hardship" exemption in sections 5.6(8) and 5.8(5) of Rule 61-501 would be applicable. The proposed transactions have been filed with the Toronto Stock Exchange.

- (i) Summary of Any Valuation in Respect of the Transaction:

No valuation will be carried out.

- (j) Other Material Relevant to the Transaction:

There is no other relevant information.



NORTHERN ORION

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July 4, 2000

NEWS RELEASE 00-06

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Northern Orion & Miramar Reach Accord on Extension of Financial Support

VANCOUVER - Northern Orion Explorations Ltd. (Northern Orion) is pleased to announce that it has negotiated with its major shareholder, Miramar Mining Corporation, for continued financial support to the end of September 2000. Progress made by the management of Northern Orion over the last seven months in reducing operating expenses, attracting new parties for joint venture discussions and securing new funding for the Company has given Miramar sufficient confidence to extend the further financial support.

Under the new accord, Miramar has agreed, subject to any necessary regulatory approvals, to make an additional \$675,000 available to Northern Orion for working capital purposes over the next 3 months. The extension of additional credit will be reflected in an amendment to the terms of an existing promissory note issued by Northern Orion in connection with the debt restructuring announced April 4, 2000, and will bring the principal amount payable under the promissory note, as amended, to \$2,625,000. The major terms of the amended note include:

- The commitment of Miramar to make additional advances of up to \$675,000 during July through to September, 2000;
- Extension of the security granted for previous advances to cover the additional funds advanced;
- Interest on the additional advances will be calculated semi-annually at prime plus 2%, and will be capitalized;
- The additional funds will become due and payable on demand after June 30, 2001 (the same time as the principal and interest were due under the original note);
- The working capital maintenance requirements under the existing debt restructuring agreements will be waived by Miramar until September 15 2000; and,
- In lieu of banking fees, Northern Orion will issue to Miramar 400,000 common shares upon receipt of regulatory approval.

As a result of the issuance of the 400,000 shares to Miramar Miramar's share ownership will increase to 56 million shares, out of a total of 89.4 million Northern Orion shares issued, giving Miramar a 62.6% interest in Northern Orion.

Northern Orion is a junior company focused on the exploration and development of mining projects in Latin America. The company has one of the largest undeveloped resource bases of copper and gold in the junior mining sector. (See our news release of April 27 2000) Management is continuing to work toward developing Northern Orion as a significant copper producer based on its portfolio of advanced projects.

For further information contact:

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