UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
WASHINGTON, D.C. 20549
FORM 20-F

(Mark One)

☐ REGISTRATION STATEMENT PURSUANT TO SECTION 12(b) OR (g) OF THE SECURITIES EXCHANGE ACT OF 1934

OR

☒ ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the fiscal year ended: December 31, 2001

OR

☐ TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934

For the transition period from ____________________ to ____________________.

Commission file number 0-25672

MIRAMAR MINING CORPORATION

(Exact name of Registrant as specified in its charter)

BRITISH COLUMBIA, CANADA

(Jurisdiction of incorporation or organization)

311 WEST FIRST STREET, NORTH VANCOUVER, BRITISH COLUMBIA V7M 1B5

(Address of principal executive offices)

Securities registered or to be registered pursuant to Section 12(b) of the Act:

Title of each Class	Name of each exchange on which registered
None	

Securities registered or to be registered pursuant to Section 12(g) of the Act:

Common Shares

(Title of Class)

Securities for which there is a reporting obligation pursuant to Section 15(d) of the Act:

None

(Title of Class)

Indicate the number of outstanding shares of each of the issuer's classes of capital of common stock as of:

December 31, 2001: 61,009,783 Common Shares

PAGE 1 _______ PAGES.

THE EXHIBIT INDEX APPEARS ON

SEQUENTIALLY NUMBERED PAGE _______.

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15 (d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days.

Yes__X__ No_____

Indicate by check mark which financial statement item the registrant has elected to follow.

Item 17__X__ Item 18 _____

MIRAMAR MINING CORPORATION

FORM 20-F

The financial statements and exhibits listed referred to herein are filed with this report on Form 20-F in the United States. This report is also filed in Canada as an Annual Information Form and the Canadian filing does not include the consolidated financial statements and exhibits listed below herein. Canadian investors should refer to the annual consolidated financial statements of the Corporation at December 31, 2001 as filed with the Canadian securities regulators.

NOTE REGARDING FORWARD LOOKING STATEMENTS

This report contains forward-looking statements within the meaning of the United States Private Securities Litigation Reform Act of 1995 concerning the Corporation's plans at the Con Mine, the Giant Mine, the Hope Bay Project and other matters. These statements relate to analyses and other information that are based on forecasts of future results, estimates of amounts not yet determinable and assumptions of management.

Statements concerning reserves and mineral resource estimates may also be deemed to constitute forward-looking statements to the extent that they involve estimates of the mineralization that will be encountered if the property is developed, and in the case of mineral reserves, such statements reflect the conclusion based on certain assumptions that the mineral deposit can be economically exploited. Any statements that express or involve discussions with respect to predictions, expectations, beliefs, plans, projections, objectives, assumptions or future events or performance (often, but not always, using words or phrases such as "expects" or "does not expect", "is expected", "anticipates" or "does not anticipate", "plans", "estimates" or "intends", or stating that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved) are not statements of historical fact and may be "forward-looking statements." Forward-looking statements are subject to a variety of risks and uncertainties which could cause actual events or results to differ from those reflected in the forward-looking statements, including, without limitation:

- risks and uncertainties relating to the interpretation of drill results, the geology, grade and continuity of mineral deposits;
- results of initial feasibility, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Corporation's expectations;
- mining and development risks, including risks related to accidents, equipment breakdowns, labour disputes or other unanticipated difficulties with or interruptions in production;
- the potential for delays in exploration or development activities or the completion of feasibility studies;
- risks related to the inherent uncertainty of production and cost estimates and the potential for unexpected costs and expenses;
- risks related to commodity price fluctuations;
- the uncertainty of profitability based upon the Corporation's history of losses;
- risks related to failure to obtain adequate financing on a timely basis and on acceptable terms;
- risks related to environmental regulation and liability;
- political and regulatory risks associated with mining and exploration; and
- and other risks and uncertainties related to the Corporation's prospects, properties and business strategy.

Some of the important risks and uncertainties that could affect forward looking statements as are described further in this document under the headings "Risk Factors", "Description of Business," "Description of Properties" and "Management's Discussion and Analysis of Financial Condition and

Results of Operations". Should one or more of these risks and uncertainties materialize, or should underlying assumptions prove incorrect, actual results may vary materially from those described in forward-looking statements. Forward looking statements are made based on management's beliefs, estimates and opinions on the date the statements are made and the Corporation undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against attributing undue certainty to forward-looking statements.

METRIC EQUIVALENTS

For ease of reference, the following factors for converting metric measurements into imperial equivalents are provided:

To Convert From Metric	To Imperial	Multiply by
Hectares	Acres	2.471
Metres	Feet (ft.)	3.281
Kilometres (km.)	Miles	0.621
Tonnes	Tons (2000 pounds)	1.102
Grams/tonne	Ounces (troy/ton)	0.029

GLOSSARY OF TERMS

Au	Gold
Autoclave	A high pressure and temperature vessel for oxidizing refractory ore. Ore or concentrate is fed into the strong vessel and placed under high pressure and temperature conditions with elevated oxygen levels to liberate the gold or base metals.
Corporation, Company or Registrant	MIRAMAR MINING CORPORATION.
Feasibility Study	A comprehensive study of a deposit in which all geological, engineering, and economic factors are considered in sufficient detail to serve as the basis for a final decision on whether to proceed with development of the deposit for production.
Free milling	Gold ore that occurs in its natural state in ore and may be liberated by conventional milling and cyanidation.
g/t; g Au/t	Grams per metric tonne; grams of gold per metric tonne.
ICA	*Investment Canada Act*.
Mineral Reserve	Means that part of a measured mineral resource or indicated mineral resource which can be extracted legally and at a profit under economic conditions that are specified and generally accepted as reasonable by the mining industry and which is demonstrated by a preliminary feasibility study or feasibility study.

The terms "Mineral Reserve," "Proven Mineral Reserve" and "Probable Mineral Reserve" used in this report are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects under the guidelines set out in the Canadian Institute of Mining, Metallurgy and Petroleum (the "CIM") Standards on Mineral Resources and Mineral Reserves Definitions and guidelines adopted by the CIM Council on August 20, 2000. In the United States, a mineral reserve is defined as a part of a mineral deposit which could be economically and legally extracted or produced at the time the mineral reserve determination is made.

Under United States standards:

> "Reserve" means that part of a mineral deposit which can be economically and legally extracted or produced at the time of the reserve determination.
>
> "Economically," as used in the definition of reserve, implies that profitable extraction or production has been established or analytically demonstrated to be viable and justifiable under reasonable investment and market assumptions.

> “Legally,” as used in the definition of reserve, does not imply that all permits needed for mining and processing have been obtained or that other legal issues have been completely resolved. However, for a reserve to exist, there should be a reasonable certainty based on applicable laws and regulations that issuance of permits or resolution of legal issues can be accomplished in a timely manner.

Mineral Reserves are categorized as follows on the basis of the degree of confidence in the estimate of the quantity and grade of the deposit.

Proven Mineral Reserve means, in accordance with CIM Standards, for the part of a deposit which is being mined, or which is being developed and for which there is a detailed mining plan, the estimated quantity and grade or quality of that part of a measured mineral resource for which the size, configuration and grade or quality and distribution of values are so well established, and for which economic viability has been demonstrated by adequate information on engineering, operating, economic and other relevant factors, so that there is the highest degree of confidence in the estimate.

The definition for “proven mineral reserves” CIM standards differs from the standards in the United States, where proven or measured reserves are defined as reserves which (a) quantity is computed from dimensions revealed in outcrops, trenches, workings or drill holes; (b) grade and/or quality are computed from the results of detailed sampling and (c) the sites for inspection, sampling and measurement are spaced so closely and the geographic character is so well defined that size, shape, depth and mineral content of reserves are well established.

Probable Mineral Reserve: means, in accordance with CIM Standards, the estimated quantity and grade or quality of that part of an indicated mineral resource for which economic viability has been demonstrated by adequate information on engineering, operating, economic and other relevant factors, at a confidence level which would serve as a basis for decisions on major expenditures.

The definition for “probable mineral reserves” under Canadian standards differs from the standards in the United States, where probable mineral reserves are defined as reserves for which quantity and grade and/or quality are computed from information similar to that of proven reserves (under United States standards), but the sites for inspection, sampling, and measurement are further apart or are otherwise less adequately spaced, and the degree of assurance, although lower than that for proven mineral reserves, is high enough to assume continuity between points of observation. The degree of assurance, although lower than that for proven mineral reserves, is high enough to assume continuity between points of observation.

Mineral Resource	Under CIM Standards, Mineral Resource is a concentration or occurrence of natural, solid, inorganic or fossilized organic material in or on the Earth's crust in such form and quantity and of such a grade or quality that it has reasonable prospects for economic extraction. The location, quantity, grade, geological characteristics and continuity of a Mineral Resource are known, estimated or interpreted from specific geological evidence and knowledge.

The terms "Mineral Resource", "Measured Mineral Resource", "Indicated Mineral Resource", "Inferred Mineral Resource" used in this report are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects under the guidelines set out in the CIM Standards.

Inferred Mineral Resource: Under CIM Standards, an Inferred Mineral Resource is that part of a Mineral Resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes.

Indicated Mineral Resource: Under CIM Standards, an Indicated Mineral Resource is that part of a Mineral Resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough for geological and grade continuity to be reasonably assumed.

Measured Mineral Resource: Under CIM standards is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics are so well established that they can be estimated with confidence sufficient to allow the appropriate application of technical and economic parameters, to support production planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration, sampling and testing information gathered through appropriate from locations such as outcrops, trenches, pits, workings and drill holes that are spaced closely enough to confirm both geological and grade continuity.

Note to U.S. Investors. While the terms "mineral resource," "measured mineral resource," "indicated mineral resource," and "inferred mineral resource" are recognized and required by Canadian regulations, they are not defined terms under standards in the United

	States. As such, information contained in this report concerning descriptions of mineralization and resources under Canadian standards may not be comparable to similar information made public by U.S. companies subject to the reporting and disclosure requirements of the Securities and Exchange Commission. "Indicated mineral resource" and "inferred mineral resource" have a great amount of uncertainty as to their existence and a great uncertainty as to their economic and legal feasibility. It can not be assumed that all or any part of an "indicated mineral resource" or "inferred mineral resource" will ever be upgraded to a higher category. Investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.
Mineralization, Mineralized material, mineralized deposits, or Deposit	A mineralized body which has been intersected by sufficient closely spaced drill holes and/or sampling to support sufficient tonnage and average grade of metal(s) to warrant further exploration-development work. This deposit does not qualify as a commercially mineable ore body, as prescribed under Securities and Exchange Commission standards, until a final and comprehensive economic, technical, and legal feasibility study based upon the test results is concluded and supports Proven/Probable Mineral Reserves.
Net profits royalty	A phrase used to describe a royalty payment made by a producer of metals based on a percentage of revenue from production, less deduction of the costs of commercial production, including exploration, capital and operating costs.
Net smelter return royalty/ NSR royalty	A phrase used to describe a royalty payment made by a producer of metals based on gross metal production from the property, less deduction of certain limited costs including smelting, refining, transportation and insurance costs.
Northern Orion	Northern Orion Explorations Ltd., a publicly traded company whose shares are traded on the Toronto Stock Exchange and of which 61.5% of the shares were owned by the Corporation at December 31, 2001 and 57.3% were owned by the Corporation at May 17, 2002.
NTI	Nunavut Tunngavik Incorporated, the incorporated body representing the Inuit people of Nunavut.
Ore	A metal or mineral or a combination of these of sufficient value as to quality and quantity to enable it to be legally mined at a profit.
Ounces/oz	Troy ounces.
Oz/ton	Troy ounces per short ton.
Refractory	Ore that resists the action of chemical reagents in the normal treatment processes and which may require pressure leaching or other means to effect the full recovery of the valuable minerals.
Roasting	To heat a refractory ore to drive off volatile substances or oxidize the ore. The oxidation of the ore liberates the gold.

SX/EW	Solvent extraction, electrowinning means a method of extracting copper from ore by dissolving the copper into solution and using electrolytic action to create copper cathodes from the copper solution
Ton	Short ton (2,000 pounds).
Tonne	Metric tonne (1,000 kilograms).

Item 1 IDENTITY OF DIRECTORS, SENIOR MANAGEMENT AND ADVISERS.

Not applicable.

Item 2 OFFER STATISTICS AND EXPECTED TIMETABLE.

Not applicable.

Item 3 KEY INFORMATION

A. Selected Financial Data

The following table summarizes selected consolidated financial data for the Corporation (stated in thousands of Canadian dollars, except per share amounts) prepared in accordance with Canadian generally accepted accounting principles ("Canadian GAAP"). The table also summarizes certain corresponding information prepared in accordance with United States generally accepted accounting principles ("US GAAP"). The information in the table was extracted from the more detailed consolidated financial statements for the years presented. Information for the 1999 through 2001 financial years should be read in conjunction with the consolidated financial statements of the Corporation included in this annual report and with the information appearing under the heading "Item 5 - Management's Discussion and Analysis of Financial Condition and Results of Operations." Reference is made to Note 17 of the December 31, 2001 consolidated financial statements of the Corporation included herein for a discussion of the material differences between Canadian GAAP and US GAAP, and their effect on the Corporation's financial position and results of operations. In the last three fiscal years the Corporation did not generate sufficient cash flow from operations to fund ongoing operational requirements and commitments. See "Item 5 - Management's Discussion and Analysis of Financial Condition and Results of Operations." Unless otherwise indicated, all references herein are to Canadian Dollars.

	(Year Ended December 31)				
All amounts in $000's, except number of shares and per share amounts	2001	2000	1999	1998	1997
Revenue ($)	55,821	52,703	28,893	35,561	64,070
Net earnings (Loss)					
Canadian GAAP ($)	(5,899)	(43,391)	(20,143)	(10,313)	(63,961)
US GAAP ($)	(11,242)	2,810	(23,209)	(2,111)	(80,563)
Outstanding Shares	61,009,783	60,165,447	56,693,804	56,693,804	56,693,804
Outstanding Special Warrants	2,290,215	-	-	-	-
Share Capital					
Canadian GAAP ($)	230,463	231,282	229,377	229,377	229,377
US GAAP ($)	230,561	231,403	229,377	229,377	251,377
Special Warrants ($)	2,700	-	-	-	-
Earnings (Loss) per Share[(1)]					
Canadian GAAP ($)	(0.10)	(0.76)	(0.35)	(0.04)	(1.13)
US GAAP ($)	(0.18)	0.05	(0.41)	(0.04)	(1.42)

All amounts in $000's, except number of shares and per share amounts	(Year Ended December 31) 2001	2000	1999	1998	1997
Total Assets[2]					
Canadian GAAP ($)	102,266	152,517	202,951	242,657	283,446
US GAAP ($)	88,330	79,900	85,102	126,116	164,421
Liabilities and Non-controlling Interest					
Canadian GAAP ($)	21,535	67,768	65,006	84,569	100,744
US GAAP ($)	20,663	19,340	16,781	33,785	70,781
Net Assets					
Canadian GAAP ($)	80,731	84,749	137,945	158,088	182,702
US GAAP ($)	67,667	60,560	68,321	92,331	93,640

(1) no material difference between basic and diluted amounts

(2) Commencing May 1, 2001, Miramar ceased consolidation of its investment in Northern Orion Exploration Ltd. and began accounting for the same using the equity method of accounting. See "Management's Discussion and Analysis – Item 5."

Quarterly Information

Selected unaudited consolidated financial information for the last eight quarters ended December 31, 2001 (in thousands of dollars except per share amounts) is set forth below:

	Dec 31, 2001	**Sept 30, 2001**	**June 30, 2001**	**Mar 31, 2001**	**Dec 31, 2000**	**Sept 30, 2000**	**June 30, 2000**	**Mar 31, 2000**
Revenue ($)	14,296	14,122	15,562	11,841	15,107	12,568	13,500	11,528
Net Earnings (loss) ($)	(1,434)	(727)	(1,712)	(2,026)	(5,833)	(34,718)	(1,299)	(1,541)
– per share ($) [1]	(0.02)	(0.01)	(0.03)	(0.03)	(0.10)	(0.61)	(0.02)	(0.03)

(1) No material difference between basic and diluted amounts.

The Corporation has paid no dividends on its shares since incorporation and does not anticipate doing so for the foreseeable future. The declaration of dividends on the Common Shares of the Corporation is within the discretion of the Corporation's board of directors and will depend upon, among other factors, earnings, capital requirements, and the operating and financial conditionof the Corporation.

Currency Translations

The following table sets out the exchange rates for one United States dollar ("US$") expressed in terms of one Canadian dollar ("$") in effect at the end of the following periods, and the average exchange rates (based on the average of the exchange rates on the last day of each month in such periods) and the range of high and low exchange rates for such periods.

At Year End December 31	**2001**	**2000**	**1999**	**1998**	**1997**
Average Yearly Rate ($)	1.55	1.49	1.48	1.48	1.38
High ($)	1.60	1.56	1.53	1.57	1.44
Low ($)	1.49	1.44	1.44	1.42	1.34

December 31 Year End Rate ($)	1.59	1.50	1.44	1.53	1.43

The following table sets forth the high and low exchange rates for one Canadian dollar expressed in terms of one United States dollar for each of the last 6 months.

	March 2002	February 2002	January 2002	December 2001	November 2001	October 2001
High for the month ($)	1.58	1.59	1.59	1.56	1.57	1.56
Low for the month ($)	1.60	1.61	1.61	1.60	1.60	1.59

Exchange rates are based upon the noon buying rate in New York City for cable transfers in foreign currencies as certified for customs purposes by the Federal Reserve Bank of New York. The noon rate of exchange on May 16, 2002 as reported by the Federal Reserve Bank of New York for the conversion of Canadian dollars into United States dollars was US$.65 (US$1.00 = $1.55). **Unless otherwise indicated, all references herein are to Canadian Dollars**.

B. Capitalization and Indebtedness

Not applicable.

C. Reasons for the offer and use of proceeds

Not applicable.

D. Risk Factors

An investment in the Common Shares of the Corporation must be considered speculative due to the nature of the Corporation's business and the present stage of exploration and development of its mineral deposit properties. In addition to the other information contained in the annual report, the following risk factors should be considered in evaluating the Corporation, its properties and business strategy:

History of Losses

The Corporation has a history of losses and may continue to incur losses for the foreseeable future. The Corporation incurred losses during each of the following periods:

- $20.1 million for the year ended December 31, 1999
- $43.4 million for the year ended December 31, 2000
- $5.9 million for the year ended December 31, 2001

As of December 31, 2001, the Corporation had an accumulated deficit of $154.2 million.

In April 2002, the Corporation reached an agreement to merge with Hope Bay Gold Corporation ("Hope Bay Gold"), which is expected to be completed by court-approved amalgamation between a subsidiary of the Corporation and Hope Bay in late May 2002. The amalgamation, if completed, is anticipated to initially result in transaction costs and higher operating costs for 2002, which may not be off-set by revenues from operations and may have an adverse affect on the Corporation's results of operations and financial condition. In addition, the Corporation announced the collapse of the roof of the building containing the oxygen plant at the Corporation's Con Mine, which caused the suspension of the Con Mine's autoclave operations until approximately June 2002, and is expected to affect the quarterly profile of production at the Yellowknife operations. To the extent that the additional operating costs related to the Hope Bay amalgamation cannot be offset by increased revenue or the autoclave cannot be resumed in a timely manner, the Corporation's business, financial condition, operating results and cash flows could be materially adversely affected. There can be no assurance that the Corporation will realize revenue growth or achieve profitability.

Requirements for and Uncertainty of Access to Additional Capital

As of December 31, 2001, the Corporation had cash and cash equivalents of approximately $13.5 million and working capital of approximately $16.1 million. During the past three years ended December 31, 2001, the Corporation spent approximately $63.4 million on principal capital expenditures related to its properties, plant and equipment, including $14.6 million during 2001 and $16.6 million during 2000. The Corporation has historically incurred losses from operations, including a net loss of $5.9 million for the year ended December 31, 2001 and $43.4 million for the year ended December 31, 2000. A substantial portion of the Corporation's exploration expenditures during the last three years related to the Corporation's contribution to exploration expenditures related to the Hope Bay project in the amount of $8.1 million in 2001 and $4.7 million in 2000. In April 2002, the Corporation entered into an agreement to merge with Hope Bay. At December 31, 2001, Hope Bay had cash and cash equivalents of $765,000 and a working capital deficit of approximately $10,000. The merger with Hope Bay is anticipated to be completed in late May 2002. See "Information on the Corporation – Proposed Hope Bay Amalgamation."

The Corporation's ability to continue its planned exploration and development activities on the Hope Bay Project depends in part on the Corporation's ability to generate revenues from its operations and its ability to obtain financing to meet its capital requirements for planned activities on the Hope Bay Project. The Corporation intends to raise additional capital through debt or equity financing, and possibly through joint ventures, production sharing arrangements or other means.

There can be no assurance that the Corporation will generate sufficient revenues from it operations to meet its obligations as they become due or to obtain necessary financing on acceptable terms, if at all. The failure of the Corporation to meet its ongoing obligations on a timely basis could result in the loss or substantial dilution of the Corporation's interests (as existing or as proposed to be acquired) in its properties.

Exploration and Mining Risks

The level of profitability of the Corporation in future years will depend to a great degree on gold prices and the costs of production at the Con Mine and the Giant Mine and whether any of the Corporation's exploration stage properties, including the Hope Bay project, can be brought to production. The exploration for and development of mineral deposits involves significant risks, which even a combination of careful evaluation, experience and knowledge may not eliminate. It is impossible to ensure that the current and future exploration programs on the Corporation's existing mineral properties will establish reserves. Whether a mineral deposit will continue to be commercially viable depends on a number of factors, some of which are the particular attributes of the deposit, such as size, grade and proximity to infrastructure, as well as metal prices, which cannot be predicted and which have been highly volatile in the past, mining costs, and government regulations, including regulations relating to prices, taxes, royalties, land tenure, land use, importing and exporting of minerals, environmental protection and reclamation and closure obligations. The effect of these factors cannot be accurately predicted, but the combination of these factors may cause a mineral deposit that has been mined profitably in the past, such as the Con Mine, to become unprofitable. The Corporation is subject to the risks normally encountered in the mining industry, such as unusual or unexpected geological formations, cave-ins or flooding. The Corporation may become subject to liability for pollution, cave-ins or other hazards against which it cannot insure or against which it may elect not to insure.

The development of gold and other mineral properties is affected by many factors, including the cost of operations, variations in the grade of ore, fluctuations in metal markets, costs of processing equipment and other factors such as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection. Depending on the price of gold or other minerals, the Corporation may determine that it is impractical to commence or, if commenced, to continue commercial production.

Dependence on Management

The success of the operations and activities of the Corporation is dependent to a significant extent on the efforts and abilities of its management including A.P. Walsh, President and Chief Executive Officer, B. Labadie, Senior Vice-President Operations, and S.P. Quin, Executive Vice-President. Investors must be willing to rely to a significant extent on their discretion and judgment. The Corporation does not maintain key employee insurance on any of its employees.

Dependence on Consultants and Engineers

The Corporation has relied and may continue to rely upon consultants, engineers and others for exploration expertise and intends to rely on consultants for development, construction and operating expertise. Substantial expenditures are required to construct mines, establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the exploration infrastructure at any site chosen for exploration. No assurance can be given that minerals will be extracted or discovered in sufficient quantities to justify commercial operations or that funds required for development can be obtained on a timely basis.

Volatility of Gold and Other Metal Prices

The economics of developing gold and other metal properties are affected by many factors including the cost of operations, variations in the grade of ore mined and the price of gold or other metals. Depending on the price of gold or other metals, the Corporation may determine that it is impractical to commence or continue commercial production. The prices of gold and other metals have fluctuated in recent years. During the year ended December 31, 2001, the market price for gold ranged from US$256 (low) to US$293 (high) per ounce and averaged approximately US$271 per ounce in 2001. Through March 31, 2002, the market price for gold ranged from US$278 (low) to US$304 (high) per ounce and averaged approximately US$291 per ounce. Sources; Metals Week, Reuters and Bloomberg.

Any significant drop in the price of gold adversely impacts the Corporation's revenues, profitability and cash flows. In addition, sustained low prices can:

1. reduce revenues further as a result of production cutbacks due to cessation of the mining of deposits or portions of deposits that have become uneconomical at the then-prevailing gold price;,

2. halt the development of new projects;

3. reduce funds available for exploration, with the result that depleted reserves are not replaced;

4. reduce existing reserves by removing ore from reserves that cannot be economically mined or treated at prevailing prices; or

5. result in the write-off of assets whose value is impaired by low gold prices.

Gold prices may fluctuate widely and are affected by numerous industry factors, such as demand for precious metals, forward selling by producers, central bank sales and purchases of gold and production and cost levels in major gold-producing regions. Moreover, gold prices are also affected by macro-economic factors such as expectations for inflation, interest rates, currency exchange rates and global or regional political and economic situations. The current demand for and supply of gold affects gold prices, but not necessarily in the same manner as current demand and supply affect the prices of other commodities. The potential supply of gold consists of new mine production plus existing stocks of bullion and fabricated gold held by governments, financial institutions, industrial organizations and individuals. Since mine production in any single year constitutes a very small portion of the total potential supply of gold, normal variations in current production do not necessarily have a significant effect on the supply of gold or on its price. If gold prices remain at low market levels for a sustained period or further decline, the Corporation could determine that it is not economically feasible to continue mining operations or exploration activities.

There can be no assurance that the price of gold will remain stable or that such price will be at a level that will prove feasible to continue the Corporation's exploration activities, or, if applicable, begin development of its properties or commence or, if commenced, continue commercial production.

Regulatory Requirements

The Corporation's exploration operations are affected to varying degrees by government regulations relating to mining operations, the acquisition of land, pollution control and environmental protection, safety, production and expropriation of property. Changes in these regulations or in their application are beyond the control of the Corporation and may adversely affect its operations, business and results of operations. Failure to comply with the conditions set out in any permit or failure to comply with the applicable statutes and regulations may result in orders to cease or curtail operations or to install additional equipment. The Corporation may be required to compensate those suffering loss or damage by reason of its exploration activities.

Currently, all of the Corporation's properties are subject to the jurisdiction of the federal, provincial and local laws where they are situated. Mineral exploration and mining may be affected in varying degrees by government regulations relating to the mining industry. There can be no assurance that any of the governments in which the Corporation has properties will not institute regulatory policies that adversely affect the exploration and development (if any) of the Corporation's properties. Any changes in regulations or shifts in political conditions are beyond the control of the Corporation and may adversely affect its business.

Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine safety.

Environmental and other Regulatory Requirements

In connection with its operations and properties, the Corporation is subject to extensive and changing environmental legislation, regulation and actions. The Corporation cannot predict what environmental legislation, regulation or policy will be enacted or adopted in the future or how future laws and regulations will be administered or interpreted. The recent trend in environmental legislation and regulation generally is toward stricter standards and this trend is likely to continue in the future. This recent trend includes, without limitation, laws and regulations relating to air and water quality, mine reclamation, waste handling and disposal, the protection of certain species and the preservation of certain lands. These regulations may require the acquisition of permits or other authorizations for certain activities. These laws and regulations may also limit or prohibit activities on certain lands lying within wetland areas, area providing for habitat for certain species or other protected areas. Compliance with more stringent laws and regulations, as well as potentially more vigorous enforcement policies or stricter interpretation of existing laws, may necessitate significant capital outlays, may materially affect the Corporation's results of operations and business, or may cause material changes or delays in the Corporation's intended activities.

In most jurisdictions, mining is regulated by conservation laws and regulations. In the Northwest Territories, the mining industry operates primarily under Canadian federal law because the ownership of water, fisheries, surface and sub-surface rights to land are vested in the federal government. Accordingly, federal legislation governs prospecting, development, production, environmental protection, exports, income taxes and collective bargaining. Matters of a purely local or territorial nature, such as mine safety standards, the establishment of a minimum wage, education and local health services are matters for the Territorial government. With respect to environmental matters, the Con Mine and Giant Mines are subject to the Canadian Environmental Protection Act, the Fisheries Act, the Northwest Territories Waters Act (the "Waters Act") and the Arctic Waters Pollution Prevention Act, which govern mine effluent, tailings, and reclamation and closure costs relating to the mine. The Water Board established under the Northwest Territories Waters Act has the responsibility to receive and to process applications for water use licenses. These licenses outline the volume of water the mine may use, how tailings will be treated, the quality and types of waste that may be deposited into the receiving environment and how the quality may be monitored and contain requirements regarding the restoration of the tailings disposal and other affected areas. Environmental concerns associated with mining operations at the Con Mine appear to be limited to a low, but unquantified, possibility of acid generation from sulphide ore and leaching of arsenic. The costs of remediation will be borne by the Corporation but cannot be quantified until the naturally occurring background arsenic level and the extent of arsenic contamination from mining operations have been established. The Giant Mine holds arsenical waste from historical processing operations that will likely require future remediation. The Department of Indian and Northern Affairs Canada, a department of the federal government of Canada, has agreed to indemnify the Corporation against any liability arising out of the operation of the mine prior to the Corporation's acquisition of the Giant Mine. Giant Mine ore is trucked to the Con Mine for processing and no processing takes place using the milling and processing facilities located on the Giant Mine property. The Corporation processes ore from the Giant Mine at the Con Mine facility in a manner which does not generate hazardous arsenical waste.

In Nunavut, the mining industry operates under a mixture both of Canadian federal law and the rules and by-laws established under the Nunavut Land Claims Agreement (the "NLCA") regulating resource activities on lands owned by Inuit people ("Inuit Owned Lands"). Accordingly, federal legislation governs prospecting, development, production, environmental protection, exports, income taxes and collective bargaining on federal lands in Nunavut in a manner similar to that discussed above with respect to the Northwest Territories. Under the NLCA, Inuit Owned Lands were vested in Designated Inuit Organizations ("DIOs") with the Regional Inuit Associations ("RIAs") being designated as the DIOs in which surface title to Inuit Owned Lands in each representative area would vest. Subsurface title to Inuit Owned Lands is vested in Nunavut Tungavik Inc. ("NTI"). Inuit Owned Lands are held in trust by NTI and the RIAs on behalf of and for the benefit of all Inuit. For mining operations in Nunavut, mining companies must obtain, with respect to mining operations on federal land, mineral claims and mining leases from the relevant Canadian federal department. For those mining operations located on land where the surface rights are vested in an RIA, the mining company must obtain the necessary surface permits or leases from the RIA. For those mining operations on lands where the subsurface title is vested in NTI, the mining company must enter into an agreement with NTI for the necessary subsurface rights. Environmental approvals will need to be obtained from the Nunavut Water Board (the "NWB"), the Nunavut Impact Review Board (the "NIRB") and the Nunavut Planning Commission (the "NPC"). The NWB will regulate the use of water and the disposal of waste into water in Nunavut. The NIRB screens project proposals in order to determine whether or not a review is required. Where a review is required, the NIRB reviews the ecosystemic and socio-economic impacts of project proposals, determines, on the basis of its review, whether a project proposal should proceed and if so, under what terms and conditions, and then reports its determination to the relevant Minister and monitors specific projects. The role of the NPC will be to develop land use plans and, with respect to applications for project proposals, review those project proposals for conformity with the applicable land use plans. While the Nunavut Wildlife Management Board (the "NWMB") does not have a direct regulatory role with regard to mining operations, the NIRB will consult with the NWMB as part of its review procedures.

The Corporation's operations may require additional analysis in the future including environmental impact and other related studies. There can be no assurance that the Corporation will be able to obtain or maintain all necessary permits that may be required to continue its operation or its exploration of its properties or, if feasible, to commence construction, development or operation of mining facilities at such properties on terms which enable operations to be conducted at economically justifiable costs.

To the best of the Corporation's knowledge, the Corporation is operating in compliance with all applicable environmental regulations. The Hope Bay joint venture carries environmental impairment liability insurance of $5 million for activities at the Hope Bay project. The Corporation currently is not insured against any other environmental liabilities.

Aboriginal Land in Canada

Negotiations are ongoing between the Federal Government of Canada and various native groups relating to aboriginal land claims in the Northwest Territories. The Corporation is not aware of any aboriginal land claims having been made or threatened in relation to the Con Mine or the Giant Mine. Based on indications from the Federal Government, the Corporation is of the view that it is unlikely that any such claims will affect the Con Mine or the Giant Mine. However, there can be no assurance that such aboriginal land claims will not be brought in the future in relation to, or that may affect, the Con Mine or the Giant Mine.

Aboriginal land claims in Nunavut were settled by the creation of the territory of Nunavut. A number of the Corporation's interests in the Hope Bay Project are held directly with the relevant aboriginal representative bodies with the remainder being issued by the relevant department of the Federal Government of Canada.

Uncertainty of Mineral Reserve Estimates

Although the Corporation has assessed the mineral reserve and mineral resource estimates presented herein and believes that the methods used to estimate such mineral reserves and mineral resources are appropriate, such figures are estimates. As well, estimates of mineral reserves and mineral resources are inherently imprecise and depend to some extent on statistical inferences drawn from limited drilling, which may prove unreliable. Furthermore, no assurances can be given that the indicated level of recovery of gold or other minerals will be realized. Market price fluctuations of gold or other minerals may render reserves and deposits containing relatively lower grades of mineralization uneconomic. Moreover, short term operating factors relating to the mineral reserves, such as the need for orderly development of the deposits or the processing of new or different grades, may cause mining operations to be unprofitable in any particular period.

Dilution Upon Exercise of Convertible Securities

As at December 31, 2001, there were options outstanding to purchase, in the aggregate, 1,722,121 common shares and share purchase warrants outstanding entitling the holders to purchase, in the aggregate, 206,116 common shares. Such options and warrants, if fully exercised, would constitute approximately 3.16% of the Company's resulting share capital. It is unlikely that options or warrants would be exercised unless the market price of the Corporation's common shares exceeds the exercise price at the date of execution. The exercise of such options or warrants and the subsequent resale of such Common shares in the public market could aversely affect the prevailing market price and the Company's ability to raise equity capital in the future at a time and price which it deems appropriate. The Company may also enter into commitments in the future which would require the issuance of additional common shares and the Company may grant additional share purchase warrants and stock options. Any share issuances from the Company's treasury will result in immediate dilution to existing shareholders.

If the Hope Bay Gold amalgamation is completed, holders of outstanding options and convertible securities of Hope Bay will be entitled, upon exercise, to acquire common shares of the Corporation on the basis of the Exchange Rate (0.263 shares of the Corporation for each share of Hope Bay Gold). At April 16, 2002, Hope Bay Gold had 8.95 million options issued and outstanding exercisable at prices between $0.31 and $0.51 per share and 16.5 million warrants outstanding exercisable at prices between $0.35 and to $7.20 per share. If fully exercised, the Hope Bay Gold options and warrants would require the Corporation to issue approximately 6.7 million shares at prices ranging from $1.18 to $29.47 per share. See "Information on the Corporation – Proposed Hope Bay Gold Amalgamation," Item 4.A. It is unlikely that options or warrants would be exercised unless the market price of the Corporation's common shares exceeds the exercise price at the date of execution. There can be no assurance that any options or warrants will be exercised.

Dilution Related to Proposed Hope Bay Amalgamation

The Corporation entered into an agreement to amalgamate a wholly-owned subsidiary of the Corporation with Hope Bay Gold in a court approved amalgamation. Under the terms of the proposed Hope Bay Gold amalgamation, the Corporation has agreed to issue Hope Bay Gold shareholders 0.263 of a common share of the Corporation in exchange for each Hope Bay Gold share held on the effective date of the amalgamation. As at April 16, 2002, Hope Bay Gold had 150,054,867 common shares issued and outstanding. If the amalgamation is completed, the Corporation will issue 39,464,430 common shares to the Hope Bay Gold shareholders and, after giving effect to such issuance, the Hope Bay Gold shareholders will own approximately 38% of the issued and outstanding common shares of the Corporation. See "Information on the Corporation – Proposed Hope Bay Gold Amalgamation," Item 4.A. and "Dilution Upon Exercise of Convertible Securities."

Uncertainties Related to Integrating Hope Bay Gold's Operations

The Corporation has agreed to acquire Hope Bay Gold for the primary purpose of consolidating the ownership of the Hope Bay Project under one public company, thereby creating operational and financial synergies and benefits. The amalgamation is subject to the approval by Hope Bay Gold shareholders representing 66-2/3% of the Hope Bay Gold common shares and obtaining a final order from the Superior Court of Quebéc after considering, among other things, the fairness of the transactions to the Hope Bay Gold shareholders. See "Information on the Corporation – Proposed Hope Bay Gold Amalgamation," Item 4.A. The Corporation anticipates that the combined operations will allow the Corporation to expedite the exploration and development of the Hope Bay Project and provide operating synergies and financing opportunities not otherwise available. The success of the Corporation will depend, in part, on the Corporation's ability to realize costs savings related to the Hope Bay Project and its ability to consolidate and integrate its operational processes with Hope Bay Gold. There can be no assurance that the amalgamation will be completed and, if completed, that the amalgamation will improve the results of operations and financial condition of the Corporation or that the timing or extent of costs savings and efficiencies anticipated by the Corporation will be achieved.

Change in Board of Directors Related to Hope Bay Gold Amalgamation

Upon closing of the amalgamation, four of the nine members of the Corporation's board of directors will resign and four members of the Hope Bay Gold board of directors will be appointed to serve until the 2002 annual meeting of shareholders of the Corporation. Anthony J. Petrina will continue as Chairman of the Corporation and David A. Fennell will be appointed as Vice Chairman of the Corporation. See "Information on the Corporation – Proposed Hope Bay Gold Amalgamation," Item 4.A.

Temporary Suspension of Autoclave

On March 16, 2002, the roof of the building containing the plant which produces oxygen to operate the autoclave at the Con Mine collapsed, temporarily suspending the autoclave operations for the Con Mine and Giant Mine. The suspension does not affect the production of gold from the free-milling process. The impact on the Corporation's operations is currently being assessed and is not expected to have a long-term material impact on the Corporation's results of operations or financial condition. The cost to repair the plant is estimated to be approximately $1.0-$1.5 million. The Corporation anticipates that the autoclave operations will be operational in June 2002. There can be no assurance that the Corporation will not experience delays in repairing the oxygen plant or that the actual costs related to the repair of the plant will be as estimated.

Collective Bargaining Agreement

The Con Mine currently operates with an employee base of 247 employees, of which 194 are members of the United Steelworkers of America Union. The collective bargaining agreement with the Union expired on April 20, 2002. Negotiations of a new collective bargaining agreement have commenced. The Corporation believes that a new collective bargaining agreement with the Con Mine workers will be successfully negotiated. The Con Mine suspended operations from May 1998 to April 1999 as a result of a strike by the Union. There can be no assurance that there will not be a work stoppage or that a new collective bargaining agreement will be negotiated on acceptable terms, if at all. A work stoppage or slowdown may require Con Mine to suspend operations which would have a material adverse effect on the Corporation's results of operations and financial condition.

In addition, the Giant Mine employs 44 employees who are members of the Canadian Auto Workers Union and subject to the terms of a collective bargaining agreement which expires in November 2002. The Giant Mine is subject to similar risks.

Competition

The Corporation's business is intensely competitive, and the Corporation competes with other mining companies, many of which have greater resources and experience. Competition in the precious metals mining industry is primarily for mineral rich properties which can be developed and produced economically; the technical expertise to find, develop, and produce such properties; the labour to operate the properties; and the capital for the purpose of financing development of such properties. Many competitors not only explore for and mine precious metals, but conduct refining and marketing operations on a world- wide basis and some of these companies have much greater financial and technical resources than the Corporation. Such competition may result in the Corporation being unable to acquire desired properties, to recruit or retain qualified employees or to acquire the capital necessary to fund its operations and develop its properties. The Corporation's inability to compete with other mining companies for these mineral deposits could have a material adverse effect on the Corporation's results of operation and business.

Country Risks

Currently, all of the Corporation's properties are subject to the jurisdiction of the federal, state, provincial, territorial and local laws where they are situated. Mineral exploration and mining in certain countries may be affected in varying degrees by political stability and government regulations relating to the mining industry and foreign investment. There can be no assurance that any of the governments in which the Corporation has properties will not institute regulatory policies that adversely affect the exploration and development (if any) of the Corporation's properties. Any changes in regulations or shifts in political conditions in these countries are beyond the control of the Corporation and may adversely affect its business. Investors should assess the political and regulatory risks of investing in a foreign country.

Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, foreign exchange controls, income taxes, expropriation of property, environmental legislation and mine safety.

Extreme Weather Conditions

The Hope Bay Project is located in Northern northern Canada in an area of extreme winter weather conditions. Access to the property and the ability to conduct work on the property can be affected by adverse weather conditions, which can temporarily restrict the Corporation's ability to access the property or conduct work on the property or can increase the costs of access and work.

Title Matters

Acquisition of title to mineral properties is a very detailed and time-consuming process. The Corporation believes it has investigated title to all of its mineral claims and has obtained title opinions with respect to its most significant properties and, to the best of its knowledge, titles to all properties are in good standing. This should not be construed as a guarantee of title and there is no guarantee that title to such properties will not be challenged or impugned. The properties may have been acquired in error from parties who did not possess transferable title, may be subject to prior unregistered agreements or transfers and title may be affected by undetected defects or aboriginal, indigenous peoples or native land claims.

Conflicts of Interest

Certain of the directors and officers of the Corporation are also directors and/or officers of other natural resource companies and companies providing services to the Corporation. Accordingly, these persons have interests which may be in conflict with the interests of the Corporation. (See "Item 6– Directors, Senior Management and Employees")

The Corporation's directors and officers may serve as directors or officers of other companies or have significant shareholdings in other resource companies and service companies and, to the extent that such other companies may participate in ventures in which the Corporation may participate, the directors of the Corporation may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In the event that such a conflict of interest arises at a meeting of the Corporation's directors, a director who has such a conflict will abstain from voting for or against the approval of such participation or such terms. From time to time, several companies may participate in the acquisition, exploration and development of natural resource properties thereby allowing for their participation in larger programs, permitting involvement in a greater number of programs and reducing financial exposure in respect of any one program. It may also occur that a particular company will may assign all or a portion of its interest in a particular program to another of these companies due to the financial position of the company making the assignment. In accordance with the laws of the Province of British Columbia, the directors of the Corporation are required to act honestly, in good faith and in the best interests of the Corporation. In determining whether or not the Corporation will participate in a particular program and the interest therein to be acquired by it, the directors will primarily consider the degree of risk to which the Corporation may be exposed and its financial position at that time.

Currency Exposure

The price of gold is denominated in U.S. dollars and, accordingly, the Corporation's proceeds from operations from the Con and Giant Mines will be denominated and received in US dollars. As a result, fluctuations in the US dollar against the Canadian dollar could result in unanticipated fluctuations in the Corporation's financial results, which are reported in Canadian dollars.

Uninsured Risks

In the course of exploration, development and production of mineral properties, certain risks, and in particular, unexpected or unusual geological operating conditions including rock bursts, cave-ins, fire, flooding and earthquakes may occur. It is not always possible to fully insure against such risks and the Corporation may decide not to take out insurance against such risks as a result of high premiums or other reasons. Should such liabilities arise, they could reduce or eliminate any future profitability and result in increasing costs and a decline in the value of the securities of the Corporation.

Risk Associated with the Issuance of Flow Through Securities.

Flow-through securities are securities of the Corporation which meet certain criteria and qualify for flow-through tax treatment for the purposes of the Income Tax Act (Canada). Qualification as a "flow-through share" enables the Corporation to renounce certain eligible resource expenditures incurred by the Corporation for the benefit of any investor who is a Canadian taxpayer. Once issued, the shares are common shares of the Corporation and are not differentiated from shares which were not flow-through shares on issue.

The Corporation has financed certain exploration activities and operations primarily through the issuance of equity, including flow-through shares, in May 2001 and March 2002. See "Operating and Financial Review and Prospects – Liquidity and Capital Resources." In addition, Hope Bay Gold has completed certain financing by issuing flow-through shares in 2000 and 2001, and Hope Bay Gold must incur certain eligible Canadian exploration expenses.

Under the Income Tax Act (Canada), mineral exploration companies are permitted to issue flow-through shares pursuant to a written agreement under which the issuer agrees to incur certain eligible Canadian exploration expenses within the time frame specified in the agreement (generally, 12 to 24 months) and to flow-through or "renounce" the related tax deduction to the investor. The proceeds from the issuance of flow-through shares must be expended on "qualifying expenditures," which are related to mineral exploration in Canada.

In general, in such circumstances the Corporation agrees to incur certain qualifying expenditures and to renounce the related tax deduction to the investor within the time frame specified in the given agreement. In the event that the Corporation is unable to make the renunciation or fails to expend the funds on qualifying expenditures, the investor may be subject to reassessment for any related tax deduction taken by the investor and the Corporation could be liable to the investor for damages in an action for breach of contract. However, there is no right of rescission of the subscription contract that would result in a reversal of the share issuance. The investor may be entitled to damages (based on a breach of contract claim), which may include amounts related to the increased tax liability that the shareholder experienced resulting from the failure of the Corporation to renounce the contracted qualifying expenditures. In addition, the Corporation could be required to pay a penalty and interest to the Government of Canada for failure to make and renounce such qualifying expenditures, within prescribed time limits.

Although the Corporation believes it will make the qualifying expenditures and renounce the related tax deduction for the benefit of the purchasers of its flow-through shares, there can be no assurance that the Corporation will make the qualifying expenditures or renounce such deductions in a timely manner. The failure to make the qualifying expenditures or to renounce such deductions in a timely manner could have a material adverse effect on the Corporation's business or its ability to raise additional financing through the issuance of flow-through shares.

Hedging

The Corporation generally sells its production at market prices; however, from time to time it has used commodity instruments to protect the selling price of certain anticipated gold production. The Corporation monitors the market on an ongoing basis and may periodically elect to enter into hedging transactions in accordance with its hedging policy. See "Quantitative and Qualitative Disclosures About Market Risks." Forward sales contracts were used for a portion of the gold production designed to protect the Corporation against declining gold prices. The Corporation's ability to realize on such hedging contracts is dependent upon the ability of the counter-parties to perform in accordance with the terms of the agreements. Certain of the Corporation's gold hedging contracts are subject to margin limits, which allow counter-parties to make margin calls on the Corporation should the mark-to-market value of these contracts exceed margin limits.

Tax Reassessment

In 1995, the Corporation entered into a joint exploration transaction with an investor that resulted in the sale of an interest in the assets comprising the Con Mine. The transaction was based upon an independent valuation prepared for the Corporation. During the 2000 fiscal year, Canada Customs and Revenue Agency (the "Agency") issued a re-assessment notice challenging the valuation that formed the basis for this transaction. This re-assessment does not give rise to any taxes payable by the Corporation. As part of the transaction in 1995, the Corporation agreed to compensate the investor for any shortfall in the value of the assets transferred to a maximum of $2.7 million plus interest of approximately $1.3 million, such amounts to be payable should a final court judgment deny the transfer of certain tax pools be made against the Corporation. The Corporation intends to strenuously defend the independent valuation; however, the outcome of this issue is not determinable. There is a risk that the Corporation may be unsuccessful and may be required in that event to pay an amount up to the maximum of $2.7 million plus related interest of approximately $1.3 million.

Item 4 INFORMATION ON THE CORPORATION

A. History and Development of the Corporation

Miramar Mining Corporation (the "Corporation") was incorporated with the name Miramar Energy Corporation under the Company Act (British Columbia) by memorandum and articles of incorporation dated January 11, 1983. The memorandum of the Corporation was amended on July 17, 1989 to change the Corporation's name to Miramar Mining Corporation, on May 24, 1991 to increase the authorized capital from 20,000,000 to 100,000,000 shares without par value and on August 4, 1994 to increase the authorized capital from 100,000,000 to 500,000,000 shares without par value ("Common Shares").

The registered office of the Corporation is located at Suite 800, 885 West Georgia Street, Vancouver, British Columbia, V6C 3H1. Its principal executive office is located at 311 West First Street, North Vancouver, British Columbia V7M 1B5, and its phone number at that address is (604) 985-2572.

Neither the Corporation nor any of its subsidiaries have been subject to any bankruptcy, receivership or similar proceedings. Where the context requires, the term "Corporation" includes the subsidiaries of the Corporation.

During the last three years ended December 31, 2001, the Corporation spent approximately $63.4 million on principal capital expenditures related to its properties, plant and equipment including $14.6 million spent during the year ended December 31, 2001. The following table sets forth a description, including the amount invested, of the Company's principal capital expenditures and divestures, since the beginning of the Corporation's last three fiscal years.

Expenditure or Divesture	**Description**	**Amount ($)**		
		2001	**2000**	**1999**
Expenditure	Acquisition of additional claims at Hope Bay		$300,000	
Expenditure	Exploration expenditures – Hope Bay	8,053,000	4,670,000	
Expenditure	Mineral property development	5,159,000	7,752,000	
Expenditure	Plant and equipment additions	1,364,000	4,162,000	
Expenditure	Acquisition of Hope Bay claims			$20,506,000
Expenditure	Mineral property development			10,799,000
Expenditure	Plant and equipment additions			469,000
Expenditure	Mineral property development			
Expenditure	Plant and equipment additions			
	Total	$14,576,000	$16,884,000	$31,774,000

Details of such expenditures and information concerning the principal capital expenditures and divestures currently in progress are set forth under the Corporation's description of each project under "Property, plants and equipment."

Other than as described below in connection with the Corporation's proposed amalgamation with Hope Bay Gold, there have been no indications of any public takeover offers by third parties in respect to the Corporation's shares or by the Corporation in respect of other companies' shares which have occurred during the last financial year.

Proposed Hope Bay Gold Amalgamation

Subsequent to December 31, 2001, the Corporation announced that it entered into an agreement to merge with Hope Bay. On April 5, 2002, the Corporation entered into a definitive agreement (the "Definitive Agreement") under which Hope Bay would amalgamate with a wholly-owned subsidiary of the Corporation as a part of a series of transactions. The transactions are subject to approval of shareholders representing 66-2/3% of the shares of Hope Bay and the issuance of a final order by the Superior Court of Quebéc after considering, among other things, the fairness of the transactions to the Hope Bay shareholders.

Hope Bay has scheduled an annual and special meeting of its shareholders on May 21, 2002 to vote to approve the transactions. Miramar has received signed commitment agreements with certain shareholders and management of Hope Bay Gold who hold approximately 41% of Hope Bay Gold's shares and who have agreed to vote in favour of the transaction, subject to a right on the part of mutual fund shareholders only to withdraw their support in favour of a superior proposal. The shareholders also agreed to either vote their shares in favour of the election of the Corporation's nominees at the 2002 Annual General Meeting of the Corporation's shareholders or withhold their votes from being cast.

The Definitive Agreement

The Definitive Agreement contemplates the following transactions:

(a) Hope Bay will effect a reduction of its issued and paid-up capital by $39.0 million (without any payment to the Hope Bay Shareholders);

(b) Hope Bay will effect a further reduction of its issued and paid-up capital by $1.05 million, upon which reduction Hope Bay will effect a pro rata distribution (the "Distribution") of special warrants ("Ariane Special Warrants") of Ariane Gold Corp. ("Ariane"), a wholly-owned subsidiary of Hope Bay Gold (the "Ariane Special Warrants"); and

(c) Articles of Amalgamation of Hope Bay and 9114-6696 Quebéc Inc., a wholly-owned subsidiary ("Miramar Quebéc"), will be filed pursuant to which:

    (i) Hope Bay and Miramar Quebéc will amalgamate and continue as one Corporation ("Amalco");

    (ii) each Hope Bay common share will be exchanged for 0.263 of a share of the Corporation (the "Exchange Ratio");

    (iii) as consideration for the issue of the shares by the Corporation to effect the amalgamation, Amalco will issue to the Corporation one Amalco common share for each share of the Corporation so issued;

    (iv) the Miramar Quebéc common shares will be converted into Amalco common shares on the basis of one Amalco common share for each Miramar Quebéc common share;

    (v) holders of outstanding options and warrants of Hope Bay will be entitled, upon exercise, to acquire shares of the Corporation on the basis of the Exchange Ratio. Holders of certain Hope Bay warrants will also be entitled to receive Ariane Special Warrants; and

    (vi) all of the property and assets of each of Miramar Quebéc and Hope Bay will be the property and assets of Amalco and Amalco will be liable for all of the liabilities and obligations of each of Miramar Quebéc and Hope Bay.

Completion of the transactions is subject to the usual terms and conditions for such a transaction including, but not limited, to the following:

1. Receipt of all required regulatory and court approvals.

2. Approval of the transaction by 66 2/3% of the shareholders of Hope Bay Gold by May 31, 2002.

3. No material adverse changes in the financial condition of either company occurring.

In certain circumstances, such as in the event of a competing offer for Hope Bay Gold or its assets, which the board of directors of Hope Bay recommends its shareholders accept, or ifless than 55% of the issued shares vote in favour of the transaction, or the terms and conditions of the Definitive Agreement are not fulfilled by Hope Bay Gold on or before June 14, 2002, Hope Bay Gold will be required to pay to the Corporation a break fee of $1.5 million plus transaction costs up to a maximum of $200,000. If Hope Bay were unable to pay all or some of the break fee, any outstanding amount would be added to the principal of the line of credit. The Corporation has and will continue to invest significant time and effort in completing this proposed transaction and this amount attempts to compensate the Corporation for a decision by Hope Bay Gold to withdraw from the proposed business combination.

The Corporation has agreed to provide Hope Bay Gold with a $2.0 million line of credit to allow Hope Bay Gold to meet its financial obligations until the completion of the transaction. The line of credit may be drawn against an approved budget and contains customary terms and conditions, including an interest rate of LIBOR plus 3%, with security against Hope Bay Gold's interest in the Hope Bay property. The loan will be repayable within 30 days should Hope Bay Gold's shareholders vote against the transaction. If the line of credit is not repaid, the Corporation could elect to dilute Hope Bay Gold's interest in the Hope Bay project in accordance with the terms of the Hope Bay Joint Venture agreement.

Subject to the receipt of all necessary approvals and the satisfaction or waiver of the conditions set forth in the Definitive Agreement, the amalgamation will become effective on the effective date whether or not the Distribution is or has been effected on the effective date.

If the Distribution is not completed, Ariane will become an indirect wholly-owned subsidiary of the Corporation, and the Corporation anticipates it will dispose of or abandon Ariane's interest in certain French Guiana properties.

Based upon the number of Hope Bay common shares and common shares and special warrants of the Corporation outstanding as at April 16, 2002, after giving effect to the Amalgamation, approximately 105.5 million common shares of the Corporation will be issued and outstanding. After giving effect to the Amalgamation, current Hope Bay shareholders will own approximately 37% of the Corporation's common shares and current holders of Corporation's common shares will own approximately 63% of the Corporation's common shares as follows:

Present Holders of Common Shares of	**Number of Miramar Common Shares**	**Approximate Percentage of Miramar Common Shares**
Hope Bay Miramar	39.4 million	37%
	66.1 million	63%
	105.5 million	100%

In addition, after giving effect to the Amalgamation, a maximum of approximately 8.5million Common Shares of the Corporation will be issuable upon the exercise of outstanding options and warrants.

On completion of the transaction, the board of directors of Miramar will consist of five nominees from Miramar and four nominees from Hope Bay Gold. Tony Petrina will continue as non-executive Chairman, David Fennell will become Vice Chairman and Tony Walsh will remain as President & CEO. Miramar's management will continue as currently structured.

Background for the Amalgamation

In December 1999, Hope Bay Gold entered into an agreement with the Corporationpursuant to which the Corporation agreed to acquire from Hope Bay Gold, concurrent with Hope Bay Gold's purchase of the Hope Bay Properties, an undivided 50% interest in the Hope Bay Project for US$13,346,100. The balance of the cash proceeds required by Hope Bay Gold to acquire the Hope Bay Properties were raised by Hope Bay Gold through the issuance of additional securities of Hope Bay Gold. On December 17, 1999, Hope Bay Gold completed the acquisition of the Hope Bay Properties from BHP concurrent with the Corporation acquiring, through a wholly-owned subsidiary, an undivided 50% interest in the Hope Bay Project.

Since December, 1999, Hope Bay Gold and the Corporation have each owned an undivided 50% interest in the Hope Bay Project and have operated the exploration and development program on the Hoe Bay Project under the Hope Bay Joint Venture Agreement, with the Corporation as the operator. The Hope Bay Joint Venture Agreement is described in more detail below. See "Nunavut Property– Hope Bay," Item 4.D.

B. Business overview

The Corporation, through its 100% owned subsidiary, Miramar Con Mine Ltd. ("Con"), owns and operates the Con Mine, an underground gold mine located near Yellowknife, Northwest Territories, Canada. Gold production from the Con Mine was 23,447 ounces in 1998, 38,678 ounces in 1999, 102,880 ounces in 2000 and 104,798 ounces in 2001.

The Corporation, through its 100% owned subsidiary, Miramar Giant Mine Ltd., owns and operates the Giant Mine located near Yellowknife, Northwest Territories, Canada and near the Con Mine. The Corporation acquired the Giant Mine in December 1999. The Giant Mine produced 21,510 ounces of gold in 2000 and 25,361 ounces in 2001.

Through its Yellowknife operations (the Con and Giant Mines) in 2001, the Corporation produced 130,159 ounces of gold and shipped 129,607 ounces of gold.

The Corporation, through its 100% owned subsidiary, Miramar Hope Bay Ltd., owns a 50% joint venture interest in the Hope Bay Project, a gold exploration project located in Nunavut,Canada. The Corporation acquired its interest in the Hope Bay Project in December 1999. The Hope Bay Project is held in a joint venture with Hope Bay Gold Corporation Inc. (formerly Cambiex Exploration Inc.) ("Hope Bay Gold"). The Corporation has entered into an agreement to effect a business combination with Hope Bay Gold which, if concluded, will result in Hope Bay Gold becoming a wholly-owned subsidiary of the Corporation. See "Information on the Corporation – Proposed Hope Bay Gold Amalgamation" under Item 4A.

The Corporation owns 57.3% of Northern Orion Exploration Ltd. ("Northern Orion"), a company with various interests in several mineral properties located in Cuba and Argentina. A description of the Corporation's exploration, development and mining operations over the past five years are described in "Property, plants and equipment" below.

Product

The Corporation's primary product is gold. Gold has two main categories of use: product fabrication and bullion investment. Fabricated gold has a variety of end uses, including jewellery, electronics, dentistry, industrial and decorative uses, medals, medallions and official coins. End purchasers of official coins and high-carat jewellery frequently are motivated by investment considerations, so that net private bullion purchases alone do not represent the total private investment activity in gold.

Gold Price

The gold market is characterized by price volatility as illustrated in the following table of annual high, low and average late fixing prices for gold per ounce on the London Bullion Market:

YEAR	HIGH	LOW	AVERAGE
1997	US$ 367	US$ 283	US$ 331
1998	313	273	294
1999	326	253	279
2000	313	264	279
2001	293	256	271
2002 (March 31, 2002)	304	278	291

Source: Metals Weekly and Reuters.

On April 18, 2002, the spot price market price of gold on the New York Commodities Exchange was US$304.40 per ounce.

The supply of gold consists of a combination of new production from mining and stocks of bullion and fabricated gold held by governments, financial institutions, industrial organizations and private individuals. In recent years, mine production has accounted for 60%-65% of the total supply of gold. The price of gold is affected by numerous factors beyond the Corporation's control. Factors tending to put downward pressure on the price of gold include:

1. sales and leasing of gold reserves by governments and central banks,;
2. a low rate of inflation and a strong U.S. dollar;
3. global and regional depression or reduced economic activity; and
4. speculative trading.

In the second half of 1997, the price of gold fell sharply to below $300 per ounce. The price remained low during 1998 and the first eight months of 1999, reaching a 20 year low that was 30% below the average gold price over the three-year period 1994-1996. The Corporation believes that principal reason for the price declines was the 1997 sale by the Australian government of gold reserves, followed by the announcement of a proposed large sale by the Swiss government of its gold holdings. In addition, in May 1999, Great Britain announced its intention to sell 415 metric tons of gold (approximately 13.3 million ounces) over a period of years. Extensive producer hedging during this period, coupled with speculative short selling of the metal, further depressed the price. In September 1999, fifteen European central banks agreed to limit the quantity of gold they would sell or lease over the next five years. The previously announced sales by Great Britain, Switzerland and the Netherlands were covered by this agreement. The price of gold began a partial recovery from its 1999 low of $253 per ounce and briefly reached $326 per ounce in October 1999 before falling back into the $270 - $290 per ounce range. Source: Metals Weekly and Reuters.

The average gold price of $279 per ounce in 2000 was at the same level as in 1999. In 2001, the average gold price was US$271 per ounce. The gold price rose to $300 per ounce at the end of the first quarter of 2002.

C. Organizational Structure

The following table sets forth the name of each material subsidiary of the Corporation, the jurisdiction of its incorporation and the direct or indirect percentage ownership by the Corporation in such subsidiary.

NAME OF SUBSIDIARY	JURISDICTION OF INCORPORATION	PERCENTAGE OWNERSHIP
Miramar Mining Canada Limited	Ontario	100%
Miramar Con Mine Ltd.	Ontario	100%
Miramar Giant Mine Ltd.	British Columbia	100%
Miramar Hope Bay Ltd.	Northwest Territories	100%
Northern Orion Explorations Ltd.	British Columbia	57.3%
Minera Mantua Inc. (1)	Ontario	57.3%
Recursos Americanos Argentinos S.A. (1)	Argentina	57.3%

(1) Direct or indirect wholly-owned subsidiaries of Northern Orion.

D. Property, plants and equipment

Northwest Territories Properties

The Con Gold Mine

On October 14, 1993, Miramar Mining Canada Limited, a wholly-owned subsidiary of the Corporation, acquired all of the outstanding shares of Miramar Con Mine, Ltd. ("Con Mine") (formerly NERCO Con Mine, Ltd.) together with the outstanding indebtedness of Con Mine to NERCO Minerals Company ("NERCO Minerals"), its former parent, for a purchase price of approximately US$25,000,000 and 3,900,000 Common Shares valued at $4,875,000, of which 2,200,000 Common Shares were issued to Red Lion Management Ltd. ("Red Lion"), a private company controlled by the former President of the Corporation, and 200,000 Common Shares were issued to a third party. In addition, the Corporation reimbursed Red Lion for its expenses in connection with the transaction and the Corporation and Con Mine indemnified Red Lion for any liability which Red Lion may incur in respect of the indemnity given by Red Lion in favour of NERCO Minerals with respect to any exposure to environmental risks associated with the past or future operation of the Con Mine and agreed to grant security in the assets of the Con Mine to secure the indemnity. The transaction was approved by a majority of the non-interested shareholders of the Corporation at a meeting of the shareholders of the Corporation held on October 12, 1993.

On February 24, 1995, the Corporation completed a financing transaction whereby it received cash consideration for transferring the Con Mine to Con Exploration Ltd. ("Conex"). Conex financed the purchase price of the Con Mine by issuing debentures in the principal amount of $75.3 million and transferring a 5% interest in Conex to an arms length purchaser. Con Mine retained the right to acquire the 5% of Conex from the purchaser for a nominal amount. The transaction resulted in the reduction of the Corporation's tax pools. The debentures were repaid on February 24, 1998. The Corporation realized a gain of $10.7 million on the transfer. This transaction precluded Con Mine granting a security interest to Red Lion. In order to facilitate the financing transaction, Red Lion released its entitlement to security in the Con Mine in exchange for an agreement by the Corporation to provide alternate security for the indemnity.

In September 1998, the Corporation exercised its right to acquire the remaining 5% of Conex. As the restriction against charging assets of the Con Mine expired and Con Mine granted to Red Lion a $20 million fixed charge demand debenture secured by its assets to secure its indemnity to Red Lion for any liability which Red Lion may incur in respect of its indemnity obligations to NERCO Minerals related to exposure to environmental risks associated with the past or future operation of the Con Mine in accordance with the original 1993 agreement. The charge is only enforceable if Red Lion is required to indemnify the vendor of the Con Mine for or is subject to actual environmental liabilities.

Description of the Con Gold Mine

The property on which the Con Mine is situated consists of 1,141 acres of surface rights, 206 claims under 60 mining leases and 40 separate claims covering an aggregate of 21,125 acres. The surface rights lie within the municipal boundary of the City of Yellowknife, Northwest Territories and are, therefore, subject to municipal taxes. The mining leases are each valid for a 21 year term, expire at various times to 2014 and can be extended. The Con Mine is located near the southern limits of Yellowknife and is adjacent to the western edge of Yellowknife Bay on Great Slave Lake.

Road access is via highway from Edmonton, Alberta, to Enterprise and then around Great Slave Lake to Yellowknife, a distance of 930 miles, and is generally available all year, except for minor interruptions during spring break-up and fall freeze-up. Yellowknife is well serviced by road and air transportation, being the capital city for of the Northwest Territories. There are several scheduled flights per day by jet aircraft from Edmonton to Yellowknife.

Dean McDonald, P. Geol., Exploration Manager with the Corporation, is the qualified person (within the meaning of Canadian National Instrument 43-101) responsible for the information that forms the basis for the following summary of the Con Mine.

History

The Con Mine has operated for 56 of the 63 years since it commenced production in 1938 (it was on care and maintenance from 1941 to 1945 and closed during most of 1998 and part of 1999 as a result of strike action by the hourly workers) and has produced more than five million ounces of gold. Production has come from a number of shear zones with a total strike extent exceeding 18 miles.

The original Con Gold Mine claims were staked in September 1935 by a Cominco Ltd. field party following the discovery of gold in the area by the Geological Survey of Canada. In 1937, the C1 shaft was sunk 235 feet on a small high-grade quartz vein located in the hanging wall of the Con Shear, and a 100 ton per day mill was built. The first gold bar was poured on September 5, 1938. By 1940 gold was being mined from the Con Shear and the mill was expanded to process 175 tons of ore per day. In 1941, the Bluefish hydroelectric power station (the "Bluefish Power Plant") was brought on-line to provide power for the mine, the mill was expanded to 350 tons per day and a roasting plant was commissioned to process refractory ore.

In January 1946, a new parallel shear zone, known as the Campbell Shear, was discovered. The C1 shaft was extended to 2,443 feet in September 1946. A major re-evaluation of reserves took place in the early 1970s when gold prices were allowed to float freely on the world market. This led to the sinking of the Robertson Shaft on the Campbell Shear to 6,240 feet, which began in 1974, to increase mining efficiency and access the lower levels of the mine. Shaft sinking was completed in 1977, almost doubling the mine's output to 650 tons per day.

In December 1986, NERCO Minerals purchased the Con Gold Mine and renamed it the NERCO Con Mine. NERCO Minerals initiated a major modernization and reserve development program. The original C1 Shaft was refurbished and the processing plant was expanded to 1,000 tons per day and then to 1,100 tons per day. Considerable underground development was undertaken to access new ore. In 1992, NERCO Minerals constructed and brought on line an autoclave, which uses high temperature and pressure to liberate gold from refractory ores and also to reprocess roaster residues.

The Corporation purchased the Con Mine on October 14, 1993, and immediately embarked on a broad program of operating cost reductions and ceased operation of the autoclave until certain modifications could be completed. During 1994 and 1995, the Corporation expanded the mill capacity to 1,400 tons per day and increased the capacity of the Bluefish Power Plant from 3.5 megawatts to 7.5 megawatts. In the fourth quarter of 1997, in response to continued low gold prices and high operating costs, the Corporation made the determination to reduce production from the Con Mine to 600 tons per day from 1200 tons per day and to reduce its workforce by 35%. The Con Gold Mine did not produce gold from May, 1998 through April, 1999 as a result of a strike by hourly union workers. Following the settlement of a strike in April 1999, the Corporation recommenced operations at the Con Mine based upon the reduced production plan developed in the fourth quarter of 1997. During the third quarter of 1999, plans were implemented to commence refractory ore processing in the first quarter of 2000 through the autoclave at a rate of an additional rate of 300 tons per day bringing total Con Mine production to 900 tons per day.

Regional Geology

The Con Mine occurs within the northeast trending Yellowknife greenstone belt, which lies along the west side of Yellowknife Bay on the north shore of Great Slave Lake. The greenstone belt includes an almost continuously exposed section of 22,000 feet of nearly vertical Archean meta-basalts. Pillow basalts make up about 50% of the volcanic assemblage, lie at the base of the pile and are known as the Kam Volcanics Group. Overlying the Kam Volcanics Group is a series of intermediate to felsic composition volcanics with intercalated sediments called the Banting Formation. Both the Kam and Banting formations are truncated to the east by an unconformity defined by the Jackson Lake conglomerates. Later dyke swarms and irregularly shaped bodies of meta-diorite and meta-gabbro cut the volcanic assemblage. The Western Plutonic Complex defines the western margin of the Yellowknife Greenstone belt.

The greenstone belt is transected by a number of north-northeast trending shear zones that are sub-parallel to the Western Plutonic Complex contact. The largest producer of the shears is the Campbell Shear, which has been traced by drilling over a length of 4.2 miles and is as much as 500 feet wide. The Con Shear has been traced for over 7.2 miles along its length. Other shears include the Western Granodiorite, Negus and Footwall Shears.

Mineralization

Gold primarily occurs in the north striking, west dipping shears. Typically, above the 3100 level in the mine, gold occurs intimately associated with arsenopyrite, making the reserves in the upper portions of the mine refractory in nature. Below the 3100 level, gold is associated with pyrite, but occurs on margins and is generally free-milling. Gold mineralization is not present along the entire shear but occurs in structurally-controlled lenses separated by barren shear material.

Mining Operations

The Con Mine is an underground operation which has nearly two miles of vertical shafts to transport men and equipment to more than 60 miles of horizontal tunnels called “drifts” in the area of the Campbell Shear. Currently, the Con Mine is serviced by two shafts to surface and one internal shaft equipped with operable hoists. The newer, 6,240 foot deep, Robertson Shaft is used for most of the movement of men and supplies and the hoisting of ore and waste. The older C1 Shaft head frame was refurbished in 1989 and operated as a production shaft in 1992-93 and 1995-96 for refractory ores.

In 2000, modifications were made to the ore handling system underground resulting in all ores being hoisted through the Robertson Shaft. The C1 Shaft is now used only for secondary access to the mine. Ore is mined by a combination of cut and fill (mechanized and conventional), shrinkage and long-hole methods.

The Corporation is operating based on a life of mine plan using current reserve estimates that sees production of approximately 105,000 ounces in 2002 and approximately 85,000 oz in 2003 from Con Mine ores. Gold production from the Con Mine will come from a combination of free mill and refractory ores and will be supplemented by gold recovered from the reprocessing of roaster sludges. The Corporation anticipates it will continue to benefit from very low power costs related to the operation of its wholly owned Bluefish hydroelectric facility, which provides the majority of the mine's power requirements. The Corporation's acquisition of the Giant Mine in 1999 provided the opportunity to increase gold production from the Con Mine milling facilities. Current plans call for incremental production of approximately 25,000 ounces in each of 2002 and 2003 from Giant ores bringing total Yellowknife production to approximately 130,000 ounces in 2002 and 110,000 ounces in 2003 at cash costs of approximately US$240 per ounce or less. The Company continues to evaluate options to extend the mine life provided such an extended life could be shown to generate free cash flow from operations.

Processing

The mill was originally constructed in 1938, but has been significantly expanded and modernized over the past several years. In 1995, the Corporation completed an expansion of the mill to a daily capacity of up to 1,400 tons per day by providing separate treatment circuits for free milling and refractory ores.

All ore goes through two-stage crushing and grinding circuits. Free milling ores are subjected to conventional whole ore leaching to recover the gold. The Con and Giant refractory ores are subjected to flotation to separate the gold-bearing sulphide minerals for treatment in the autoclave. Concentrates undergo pressure oxidation in the autoclave to facilitate dissolution of the gold in the presence of weak cyanide solutions. Gold in solution is separated from the spent ores by means of filtration and is recovered from solution in a Merrill-Crowe facility which uses zinc to precipitate the gold. The gold bearing precipitate is sent to the refinery for final processing. After gold recovery, the spent ores or tailings are size classified, with the coarse material sent underground as backfill. The remainder of the tails are deposited in a tailings impoundment adjacent to the mill site.

During the past five years the mill has more than doubled its capacity with improvements to grinding and flotation, and an overall optimization of operations. Recoveries are maintained in the 92% range for free milling ore and overall recovery for refractory ores is 86%. Over 25,000 ounces of silver per year are produced as a by-product of the gold recovery process. This level is expected to remain roughly in proportion to gold production in the future.

An autoclave facility was constructed and commenced operation during late 1992 to process refractory ores and gold-bearing arsenical sludge and calcines from historic roasting operations. These metallurgical residues have been stored on site in ponds and have average grades estimated between 0.35 to 0.50 ounces of gold per ton. The autoclave facility can operate at a rate of 90 tons per day. Operation of the autoclave to process the arsenical sludge eliminates a potential environmental liability at the site, rendering the toxic chemical arsenic trioxide as a stable and environmentally benign chemical ferric arsenate. The autoclave is processing refractory ores from the Con Mine and the Giant Mine and from March 2000 has been processing arsenical sludges from the Con Mine property. On March 16, 2002, the autoclave temporarily ceased operations; see the discussion below under "Surface Facilities".

The refinery consists of two small furnaces utilizing fuel oil for heating. Precipitate from the mill is mixed with fluxes (sodium nitrate, borax, fluorspar, soda ash, silica and manganese dioxide) and refined three times a month.

Production

From the commencement of production to December 31, 2001, the Con Mine has produced 5,801,303 ounces of gold from 12,072,642 tons of ore with an average grade of 0.48 ounces of gold per ton. Of the total, 83% was produced from the Campbell Shear, 13% from the Con Shear and substantially all of the remainder from the Rycon-Negus Shear and the HW Zone.

The following table sets forth certain information relating to production from the Con Mine during the periods indicated:

CON MINE	2001	2000	1999	1998	1997
Tons ore milled	298,455	300,516	119,347	86,026	384,398
Grade (ounces per ton)	0.377	0.378	0.349	0.296	0.286
Production (Recoverable ounces)	100,992	101,670	38,938	23,447	94,410
Recovery (percentage)	89.8%	89.5%	93.5%	92.1%	85.7%
ARSENIC TAILINGS					
Tons milled	9,187	3,260	-	-	-
Grade (ounces per ton)	0.470	0.457	-	-	-
Production (Recoverable ounces)	3,806	1,210	-	-	-
Recovery (percentage)	88.1%	81.1%			

During 2001, the mill processed 307,642 tons containing 0.38 ounces of gold per ton to produce 104,798 ounces of gold contained in the ore. Cash operating costs for the period that the mine operated during the year combined with the costs of the Giant mine were US$256 per ounce, compared to US$263 per ounce for 2000. The lower cash costs experienced in 2001 were a result of the continuation of planned savings in labour and materials and capital expected from the revised operating plan implemented prior to the strike in 1998.

Surface Facilities

In addition to the mill and other processing equipment, surface facilities include an assay lab, environmental lab and a small development laboratory for metallurgical requirements. Other surface facilities include a powerhouse with back-up generators and a number of compressors for property use, as well as the main electrical switch gear. There is a lake pump/boiler house that supplies steam and water for property use. The steam requirements are supplemented by five other boilers on the property. The fuel supply for the boiler and generators is shipped in by barge. The oil is stored in a tank farm on the property.

The Con Mine has the capacity to obtain up to 80% of its power requirements from its own hydroelectric facility, known as the Bluefish Power Plant, located 30 miles from Yellowknife at the head of Prosperous Lake. Bluefish has the capacity to supply up to 7.5 megawatts of power. There is also a diesel back-up power plant at the Con Mine capable of producing 1.2 megawatts from three units. The remaining power is supplied by Northwest Territories Power Corporation.

A water treatment plant was built during 1987 to treat cyanide and arsenic in the tailings pond to environmentally acceptable levels. In 1989, the water treatment plant incorporated updated technology to improve the effectiveness of treating the tailings impoundment water.

On March 16, 2002, the roof of the building containing the plant which produces oxygen to operate the autoclave at the Con Mine collapsed. The building is not generally occupied and there were no injuries as a result of the collapse. The oxygen plant is a leased facility that provides oxygen to the autoclave for the oxidation of refractory sulphide concentrates produced from ores mined at Miramar's Con and Giant Mines. The cause of the incident has not yet been determined. Autoclave operations have been temporarily suspended and the impact on operations is being assessed. This incident does not affect the production of gold from the free milling operations at the Con Mine.

The cost impact of this incident and the required adjustments to ongoing operations are currently being assessed; however, there should not be any long-term impact on Miramar. Based on information available to date, it is estimated that the cost of repairs to the plant will be approximately $1.5 million, although how much of these costs may be recovered from insurance proceeds or offset by other adjustments in operations cannot yet be determined. The Corporation estimates that the oxygen plant should be operational in June 2002.

Employees

The mine currently operates with an employee base of approximately 247 employees, of which approximately 194 are members of the United Steelworkers of America Union. Since the acquisition of the Con Mine by the Corporation the mine has operated without work stoppages from Union actions, except for the period from May 1998 until April 19, 1999 during which the Union was on strike. A new collective agreement was entered into in April 1999 which continued the terms of the last contract with no increases in compensation.

The current collective agreement expired on April 20, 2002 and bargaining with the union is currently underway. Miramar believes that a new collective agreement will be negotiated successfully.

Mineral Reserves

The following table sets forth the mineral reserves of the Con Mine as at December 31, 2000, and December 31, 2001. These estimates were prepared by Dave Arthur, BSc., Senior Production Geologist, Con Mine under the supervision of Dean McDonald, PhD., P. Geol., Exploration Manager with the Corporation who is a qualified person within the meaning of Canadian National Instrument 43-101.

December 31, 2000	Tons	Gold Grade (ounces per ton)	Contained Gold (ounces)
Proven Mineral Reserves	319,650	0.35	112,338
Probable Mineral Reserves	934,619	0.35	330,115
Total	1,254,269	0.35	442,453

December 31, 2001	Tons	Gold Grade (ounces per ton)	Contained Gold (ounces)
Proven Mineral Reserves	284,256	0.33	93,984
Probable Mineral Reserves	663,698	0.35	230,249

Total	947,954	0.34	324,233

Assumptions

Mineral Reserves for the Con Mine as at December 31, 1999, December 31, 2000 and December 31, 2001 have been estimated assuming a gold price of, US$325, US$300, US$280 per ounce, respectively and have been restricted to material that is already substantially developed. This mineral reserve provides the basis for the current two year life of mine plan which ends at the end of 2003. The Corporation continues to evaluate options to extend the mine life provided such an extended life can be shown to generate free cash flow from operations.

Cautionary Note to U.S. investors. The terms "Mineral Reserve," "Proven Mineral Reserve" and "Probable Mineral Reserve" used in this report are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects. In the United States, a reserve is defined as a part of a mineral deposit which could be economically and legally extracted or produced at the time the mineral reserve determination is made. See "Glossary" for defined terms.

Proven and probable mineral reserves were determined by the use of mapping, drilling, sampling, assaying and evaluation methods generally applied in the mining industry. Proven and probable mineral reserves were calculated using different cut-off grades depending on each deposit's properties and based on the mine plan for the deposit.

The proven and probable mineral reserves figures presented herein are estimates, and no assurance can be given that the indicated levels of recovery of gold will be realized. Ounces of gold in the Corporation's proven and probable mineral reserves are prior to any losses during metallurgical treatment. Mineral reserve estimates may require revision based on actual production experience. Market price fluctuations of gold, as well as increased production costs or reduced recovery rates, could render our proven and probable mineral reserves containing relatively lower grades of mineralization uneconomical to exploit and might result in a reduction of mineral reserves.

In addition, Con Mine has measured and indicated resources of 1,316,720 tons grading 0.33 oz/ton for 433,000 ounces of gold

Cautionary Note to U.S. Investors concerning estimates of Measured and Indicated Resources
The Corporation advises U.S. investors that while the terms "measured and indicated resources" of 1,316,720 tons grading 0.33 ounces per ton for 433,000 ounces of gold" are recognized and required by Canadian regulations, the U.S. Securities and Exchange Commission does not recognize them. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.

Regulations

Federal and Territorial statutes, ordinances and regulations govern operations at the Giant Mine. Included under Northwest Territorial jurisdiction are the Apprentices and Tradesmen Regulations, the Boiler and Pressure Vessel Regulations, Business License Fire Regulations, Explosive Use Regulations, Fire Prevention Act, Labour Standards Ordinance, the Northwest Territories Mining Safety Act, Workers Compensation Act, Public Health Ordinance, Emergency Measures Act and Environmental Protection Ordinance. Under Federal jurisdiction are the Clean Air Act, the Fisheries Act, Northwest Territories Waters Act, Territorial Lands Act, Transportation of Dangerous Goods Act and the Canada Mining Regulations. Failure to comply may result in cease work orders and/or fines. Miramar Giant believes that it is complying with the foregoing statutes and regulations where applicable and has not been the recipient of any orders or directions in the past year other than in the ordinary course of business.

Environmental Matters

The Con Mine is subject to a variety of legislation regulating water, air and land. The mine's management team is responsible for ensuring environmental compliance. The mine has an environmental laboratory which maintains up-to-date certification to ensure environmental compliance including health and safety monitoring. Mine management monitors environmental issues as they arise and supervises steps to remedy any concerns.

Part of the property surrounding the Con Mine has shown elevated arsenic levels and, according to mine management, a maximum of 30 hectares may need some form of remediation. Ore from the Con Mine contains gold naturally associated with arsenic bearing minerals. Until 1970 gold was extracted from refractory ore, where the gold is intimately associated with arsenic, and recovered through roasting the arsenical sulphides. While some of the elevated arsenic levels around the mine are likely due to mining operations, it is also likely that the naturally occurring background arsenic level is elevated due to the arsenic minerals in the extensive mineralized shear zones. Remediation of arsenic contamination is part of the long-term reclamation of the mine. A conceptual abandonment and restoration plan was submitted by NERCO Minerals to the Northwest Territories Water Board and has been accepted as an interim plan. The Corporation submitted a revised plan in January 2001 and is awaiting final approval.

The autoclave is used to reprocess arsenic waste left from prior roaster operations at the Con Mine. These materials are readily recoverable from surface storage impoundments and are estimated to contain an average grade of 0.47 oz/ton gold, of which approximately 80% is expected to be recovered during the pressure oxidation and leach processes. Reprocessing of these materials in conjunction with sulphide concentrates from the flotation circuit will permanently stabilize the arsenic in an environmentally benign form of ferric arsenate, effectively providing permanent remediation of these materials. At December 31, 2001, a total of 12,447 tons of arsenic wastes have been reprocessed, leaving an estimated 12,000 tons to be reprocessed. Reprocessing should be completed during 2003. By early 2004, all other outstanding reclamation will be conducted as part of the current operating plan, with final reclamation of the Con Mine site to be completed after operations cease. The Corporation regularly uses outside consultants to review environmental compliance and the Corporation believes that it is currently in compliance with environmental laws in all material respects.

On August 8, 2000, the Corporation received a renewal of the water licence for the Con Mine issued under the Northwest Territories Waters Act. This licence expires on July 29, 2006. A condition of the licence is that Con Mine maintain a security deposit in a form acceptable to the licensor. Con Mine deposited $1.5 million as security for the water licence and is required to increase the security by $1.5 million on each subsequent anniversary of the licence until $9 million in cash or other acceptable security has been made available. The $1.5 million deposit required for July 2001 was not deposited as the Corporation has been negotiating with the Canadian Federal Department of Indian Affairs and Northern Development ("DIAND") to deposit security over assets as an alternate to cash security. If an agreement is not reached with DIAND, the Corporation will be required to deposit $1.5 million towards the bond for July, 2001 and a further $1.5 million in July, 2002. Reductions in the security deposit may be granted based upon the annual estimates of the remaining reclamation liability for the Con Mine.

In 1995, the Corporation entered into a joint exploration transaction with an investor that resulted in the sale of an interest in the assets comprising the Con Mine. The transaction was based upon an independent valuation prepared for the Corporation. During the year, Canada Customs and Revenue Agency (the "Agency") issued a re-assessment notice challenging the valuation that formed the basis for this transaction. This re-assessment does not give rise to any taxes payable by the Corporation.

As part of the transaction in 1995, the Corporation agreed to compensate the investor for any shortfall in the value of the assets transferred to a maximum of $2.7 million plus interest of approximately $1.3 million, such amounts to be payable should a ruling denying the transfer of certain tax pools be made against the Corporation. The Corporation intends to strenuously defend the independent valuation; however, the outcome of this issue is not determinable.

Giant Gold Mine

Acquisition

The Corporation's wholly owned subsidiary, Miramar Giant Mine Ltd. ("Miramar Giant") acquired the Giant Mine on December 14, 1999 from the DIAND. Miramar Giant acquired the Giant Mine including its mineral assets, plant and equipment from DIAND for nominal cash consideration and a lump sum payment of $425,000 for parts and materials inventories. The agreement provides that DIAND will indemnify Miramar Giant from all environmental liabilities related to operations of the Giant Mine prior to the acquisition of the mine by Miramar Giant.

The $425,000 paid for parts and materials inventories was placed into the Giant Mine Reclamation Security Trust ("RST"), a trust which will be established to fund the cost of environmental reclamation relating to the prior operation of the mine. The RST will also receive a net proceeds royalty on Giant Mine ores processed under certain circumstances.

Miramar Giant agreed to pay property taxes to the City of Yellowknife in 2000 and 2001 however, the City used one third of the assessed taxes as the basis to purchase certain lands from Miramar Giant that have no mining value and each of the Government of the Northwest Territories and DIAND provided one third of the assessed taxes as an exploration/development grant for the Giant and Con Mines in the same periods..

The Corporation resumed mining at the Giant Mine in the first quarter of 2000. During 2001, the Giant Mine produced 73,247 tons at a grade of 0.39 ounces of gold per ton to produce 25,361 ounces at 88.2% recovery. The combined costs at the Con Mine and the Giant Mine were US$256 per ounce and US$263 per ounce in 2000. All ore was processed at the Con Mine mill.

GIANT MINE	**2001**	**2000**
Tons Ore Milled	73,247	78,957
Grade (ounces per ton)	0.393	0.329
Production (recoverable ounces)	25,361	21,510
Recovery (percentage)	88.2%	82.9%

The agreement between Miramar Giant and DIAND provided that Miramar Giant could elect to transfer the mine back to DIAND after operating the mine for two years. Miramar Giant notified DIAND that it would return the Mine effective December 14, 2001; however, an agreement was reached with DIAND to amend the existing agreement to extend Miramar's operation of the mine. The amended agreement provides that DIAND will fund environmental compliance and holding costs at the Giant mine from December 15, 2001 throughout the period of extended operations estimated at

$300,000 per month. These costs were previously borne by Miramar Giant. The provisions to provide an indemnity from previous environmental disturbance remains unchanged and unaffected by the amendment to the original agreement.

Background

The Giant Mine is located approximately three miles north of Yellowknife and has been in production since 1948. The Ingraham Trail, a paved all-weather highway from Yellowknife, passes through the center of the property. Mining is conducted underground and ore shipped to the Con Mine mill for processing. Since 1948, the Giant Mine has produced in excess of 7.1 million ounces of gold. In 1996, the previous owner completed rehabilitation of the infrastructure that accesses the Supercrest orebody described below.

Dan Rousseau, Senior Mine Planner for the Giant Mine and Dean McDonald PhD, P.Geo., Exploration Manager are the qualified persons (within the meaning of Canadian National Instrument 43-101) responsible for the information that forms the basis for the following summary of the Giant Mine.

History

Prospectors C. J. Baker and H. Muir on behalf of Burwash Yellowknife Mines Limited first staked the property in 1935. Giant Yellowknife Gold Mines Limited was incorporated in 1937, and shortly thereafter acquired the Giant Claims. In 1938, D. W. Cameron discovered a gold bearing schist outcrop at the south end of the mine property now known as the DWC zone. Surface exploration continued until 1943 and located a number of other zones. A. S. Dadson's examination of the property in 1943 led to a surface drill program that was drilled between 1944 and 1946.

Development began in 1946 with the sinking of "A" shaft which had reached a depth of 159 m (522 feet) by the end of 1946. By 1948, B Shaft was completed to a depth of 238 m (780 feet) and mine production started. In 1951, the C shaft was completed to a depth of 314 m (1,029 feet) and all shafts were connected on the 750 Level. In 1954, C shaft was deepened to a depth of 466 m (1,530 feet) and in 1959, the shaft was again deepened to the 2000 foot Level. The last major new ore zone to be discovered on the Giant Mine property, the LAW, was discovered in 1962. In 1964, the main Giant ore body was considered to have been totally delineated.

In 1965, Giant Yellowknife Gold Mines Ltd and Akaitcho Gold Mines formed Supercrest Gold Mines Ltd. The Supercrest zone is located at the extreme north end of the mine; and is currently is the only production area for the mine.

The Giant Mine was has been a successful operation over much of the past 53 years. The first 25 years of mine life were the most prolific with gold production, on average, in excess of 150,000 ounces per year. During this same period, the mill head grade was in excess of 20.6 g/t Au. At the end of this period, most of the pristine major ore blocks had been mined out from the underground. Mining of remnant and lower grade blocks began and resulted in the head grade dropping below 10.3 g/t Au. In 1974, mining of the open pits commenced, and had a negative affect on the head grade. However, with a higher gold price the mine remained profitable. By the late 1980s the pits were exhausted and mining again was primarily focused underground.

Most of the main ore stopes underground that had been mined by conventional cut and fill were exhausted by the end of the 1970's. The mine entered a remnant recovery phase that has continued to the present. This recovery phase involves mining smaller satellite ore lenses around the old mined out cut and fill stopes.

Pamour Minerals Incorporated, 51% owned by Giant Resources Limited, took over Falconbridge Limited's interest in Giant Yellowknife Mines in1986. By the end of 1989, Giant Resources Limited passed into receivership. Royal Oak Resources Limited acquired control of the Pamour Group of companies in November 1990 and amalgamated all the properties into one company, Royal Oak Mines Incorporated, on July 22, 1991.

Royal Oak Mines Incorporated went into receivership in 1999. Miramar Giant acquired the Giant Mine in 1999 from DIAND. Production has continued at the Giant Mine with the ore being milled at the Con Mine mill.

Ownership

Miramar Giant Mine Ltd., a wholly owned subsidiary of the Corporation, owns a 100% interest in the Giant Mine property, consisting of 32 mining leases covering 3,050 acres and one surface lease covering 2,243 acres.

Mining and milling facilities

The Giant Mine operates as an underground mine with access provided by two large service raises, five declines and the "C" shaft, which is the principal operating opening for hoisting and extends to a depth of 2,124 feet. Mining is by conventional underground mining techniques such as cut and fill. The mine is mechanized with jumbo drills and 3-1/2 yard scoop trams. The mine operates on a five day a week schedule. The power source for the Giant Mine is the Northwest Territories Power Corp.

The main infrastructure of the Giant Mine has been in place since 1946.

Prior to the acquisition of the Giant Mine by Miramar Giant, the ore produced from the mine was processed at the mill located on the property using a roaster to oxidize refractory ores. Miramar Giant does not operate the roaster and all ore produced at the Giant Mine is processed at the Con Mine mill.

Geology

The Giant Mine is in the Yellowknife Greenstone belt, a package of Archean volcanic rocks similar to those related to the Con Mine. Deposits are hosted in shear zones within the greenstones. Individual deposits are veins, quartz lenses, or silicified areas within the shear. Gold is associated with fine-grained arsenopyrite.

The Giant ore bodies are bounded to the south by the West Bay Fault, to the north by the Akaitcho Fault, and to the east by the angular unconformity with the sediments along the Yellowknife Bay shoreline. The general trend of the Giant ore body is N – S in the A shaft area between the West Bay Fault and the Townsite Fault, and is approximately N30E north of the Townsite Fault. The dip of the alteration zone is generally to the east, but the angle is highly variable. The alteration zone that hosts the Giant ore bodies continues north to the Akaitcho Fault on this trend. The alteration zone is characterized by chloritic and/or sericitic alteration of the country rocks. The alteration zones may appear massive, or weakly to strongly foliated.

Where the zones are strongly foliated, they have been referred to as shear zones in the past. The major ore bodies have generally been located in sericite schist, but the intensity of alteration and schistosity varies widely. Large ore lenses have been found in weakly to moderately foliated, chlorite-to-chlorite sericite altered zones. The alteration zones (and the ore zones within) have been complexly folded. The foliation or schistosity (shearing) observed in the mine is related to the D2 deformation. Mineralization in the south and central portions of the mine is generally recognizable as quartz-carbonate-sericite schist with disseminated sulphide mineralization, bounded by sericite to chlorite schist. In the northern portion of the mine, gold is located within generally narrow, shallow dipping zones chlorite to sericite altered zones in relatively narrow (1 – 5 m wide) composite quartz carbonate veins that are often folded or boudined. An unfoliated intense sericite alteration zone hosts sections of the Supercrest ore zone between the 750 Level and the 1100 Level.

Employees

The mine currently operates with an employee base of approximately 54 employees, of which 44 are members of the Canadian Auto Workers Union. The union employees are subject to the terms of a collective bargaining agreement, which expires in November 2002.

Mineral Reserves

As of December 31, 2000 and December 31, 2001, the Corporation estimated proven and probable mineral reserves for the Supercrest area at the Giant Mine as set out below. The estimates below include allowances for dilution and mining losses, but not for losses in processing. All other mineralization at the Giant Mine has been classified as mineralization pending a more thorough evaluation. These estimates were prepared by Dan Rousseau, Senior Mine Planner and Morris Robinson, Production Geologist, Giant Mine under the supervision of Dean McDonald, PhD., P. Geol., Exploration Manager with the Corporation, who is a qualified person within the meaning of Canadian National Instrument 43-101.

December 31, 2000

	Tons	Gold Grade (ounces per ton)	Contained Gold (ounces)
Proven Mineral Reserves	38,360	0.41	15,702
Probable Mineral Reserves	90,702	0.36	32,213
Total	129,062	0.37	47,915

December 31,2001

	Tons	Gold Grade (ounces per ton)	Contained Gold (ounces)
Proven Mineral Reserves	29,439	0.375	11,179
Probable Mineral Reserves	74,297	0.336	24,943
Total	103,735	0.348	36,122

Cautionary Note to U.S. investors. The terms “Mineral Reserve,” “Proven Mineral Reserve” and “Probable Mineral Reserve” used in this report are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects. In the United States, a reserve is defined as a part of a mineral deposit which could be economically and legally extracted or produced at the time the mineral reserve determination is made. See “Glossary” for defined terms.

Proven and probable mineral reserves were determined by the use of mapping, drilling, sampling, assaying and evaluation methods generally applied in the mining industry. Proven and probable mineral reserves were calculated using different cut-off grades depending on the deposit’s properties and based on the mine plan for the deposit.

Mineral Reserves for the Giant Mine as at December 31, 2000 and December 31, 2001 have been estimated assuming a gold price of US$280 per ounce and have been restricted to material that is already substantially developed.

The Proven and Probable mineral reserves figures presented herein are estimates, and no assurance can be given that the indicated levels of recovery of gold will be realized. Ounces of gold in the Corporation's Proven and Probable mineral reserves are prior to any losses during metallurgical treatment. Mineral reserve estimates may require revision based on actual production experience. Market price fluctuations of gold, as well as increased production costs or reduced recovery rates, could render our Proven and Probable mineral reserves containing relatively lower grades of mineralization uneconomical to exploit and might result in a reduction of mineral reserves.

In addition, Giant Mine has Measured and Indicated resources of 373,248 tons grading 0.22 oz/ton for 82,149 ounces of gold.

Cautionary Note to U.S. Investors concerning estimate of Measured and Indicated Resources
The corporation advises U.S. investors that while the terms "Measured and Indicated resources" are recognized and required by Canadian regulations, the U.S. Securities and Exchange commission does not recognize them. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.

Regulations

Federal and Territorial statutes, ordinances and regulations govern operations at the Giant Mine. Included under Northwest Territorial jurisdiction are the Apprentices and Tradesmen Regulations, the Boiler and Pressure Vessel Regulations, Business License Fire Regulations, Explosive Use Regulations, Fire Prevention Act, Labour Standards Ordinance, the Northwest Territories Mining Safety Act, Workers Compensation Act, Public Health Ordinance, Emergency Measures Act and Environmental Protection Ordinance. Under Federal jurisdiction are the Clean Air Act, the Fisheries Act, Northwest Territories Waters Act, Territorial Lands Act, Transportation of Dangerous Goods Act and the Canada Mining Regulations. Failure to comply may result in cease work orders and/or fines. Miramar Giant believes that it is complying with the foregoing statutes and regulations where applicable and has not been the recipient of any orders or directions in the past year other than in the ordinary course of business.

Prior to the Corporation's acquisition of the Giant Mine, ore was processed on site using a roaster to oxidize refractory material prior to cyanidation. This process generated arsenic bearing waste which is stored underground in specially excavated chambers. This material presents a potential hazard to the environment. The agreement whereby the Corporation's subsidiary acquired the Giant Mine from DIAND provides that DIAND will indemnify the Corporation from any environmental liabilities arising from previous operations at the mine. In exchange for this indemnification, the Corporation has agreed to work closely with the Federal and Territorial governments to develop a long term reclamation strategy for the Giant Mine.

Nunavut Property

Hope Bay Project

Acquisition

The Corporation's wholly owned subsidiary, Miramar Hope Bay Ltd. ("Miramar Hope Bay"), acquired a 50% interest in a group of concession agreements with the NTI (the "NTI Concessions") and Federal federal mineral claims and mining leases located in Nunavut and known as the Hope Bay Project from Hope Bay Gold Corporation Inc. ("Hope Bay Gold", formerly Cambiex Explorations Inc.) for US$13,346,100 on December 17, 1999. The acquisition occurred concurrently with Hope Bay Gold's acquisition of 100% of the Hope Bay Project from BHP Diamonds Inc. for US$18,492,340.

In the year 2000, The Corporation and Hope Bay Gold entered into a joint venture agreement to govern all work on the Hope Bay Project (the "JVA"). The JVA created the Hope Bay Joint Venture and governs the operation of joint venture and provides that:

1. each of Miramar Hope Bay and Hope Bay Gold shall fund its proportionate share (based on its interest) of exploration, development, feasibility study, infrastructure, construction, equipment purchase and other expenditures on or for the benefit of the Hope Bay Project (collectively, "Expenditures"), save and except that Hope Bay Gold funded exclusively the first US$1,921,250 of Expenditures after formation of the joint venture, Miramar Hope Bay funded exclusively the next $2,900,000 of Expenditures, Hope Bay Gold funded exclusively the next $6,778,750 of Expenditures, and thereafter each party has funded 50% of the Expenditures;2. all mining operations and other related activities on the Hope Bay Properties shall be conducted under the control and direction of a Management Committee consisting of two representatives of Miramar Hope Bay and two representatives of Hope Bay Gold. The Management Committee shall approve periodic programs of operations and budgets of Expenditures in respect thereof;

3. after the approval of a positive feasibility study on any portion of the Hope Bay Project, Miramar Hope Bay shall use its reasonable and commercial best efforts to cause to be provided by third parties not less than 60% of all required financing to bring a mine into production; provided that, after commencement of production, 60% of net cash flow from operations will, subject to possible restrictions, be applied first to repay such third-party financing; and

4. Miramar Hope Bay shall be the operator for the Hope Bay Joint Venture for pre-feasibility, feasibility, development, construction and operations, and Hope Bay Gold shall be the exploration manager for the Hope Bay Joint Venture for all exploration activities outside of designated development areas (except as noted in the section below). The Management Committee may designate a portion of the Hope Bay Properties to be a development area, in which case a separate joint venture will be formed in relation to the designated portion of the Hope Bay Properties. Miramar Hope Bay will manage all activities relating to the preparation of a feasibility study, construction, mine development, pre-production and production from portions of the Hope Bay Properties designated to be development areas.

Proposed Hope Bay Gold Amalgamation

On April 5, 2002, the Corporation entered into an agreement under which Hope Bay Gold Corporation will amalgamate with a wholly-owned subsidiary of the Corporation in a series of transactions. See "Information on the Corporation – Proposed Hope Bay Amalgamation," under Item 4.A., above. Information contained below related to the Hope Bay Project does not give effect to the proposed Hope Bay amalgamation

Location and Access

The Hope Bay Project area is located in Nunavut, 65 km east of Bathurst Inlet and 685 km northeast of Yellowknife. The centre of the area lies approximately 160 km above the Arctic Circle at latitude 67^0 30' N and longitude 107^0 W. The nearest communities are Omingmaktok, located 65 km to the west on the east coast of Bathurst Inlet, and Cambridge Bay located 170 kilometres to the northeast on southern Victoria Island. The area is approximately 380 km from BHP Minerals Canada Ltd.'s Ekati diamond mine and is accessible by tidewater. Personnel, supplies and equipment are flown into the site, generally from Yellowknife using float or ski-equipped aircraft. An airstrip that can take Twin Otter sized aircraft has been built at the Boston deposit. The Hope Bay Project area is also accessible by barge or ship to Hope Bay and Roberts Bay on the Arctic Ocean from mid-July to the end of September. In the winter, air strips on the ice are able to accommodate planes as large as a Hercules to bring in equipment and supplies.

The project has two camps, the Boston camp at Spyder Lake for the Boston deposit and the Windy Lake camp for the Doris and Madrid deposits. The Windy Lake camp is about 10 km from Hope Bay on the Arctic Ocean.

Exploration History

Exploration for gold and base metal deposits in the Hope Bay Greenstone Belt was started in 1965 by Roberts Mining Company ("Roberts"). During the late 1970s and early 1980s, Noranda Exploration Company ("Noranda") explored the area for volcanogenic massive sulphide ("VMS") deposits. In 1988, Abermin Corporation ("Abermin") explored the area and detected gold mineralization, which later became the Boston deposit.

In 1991, BHP Minerals Canada Ltd. ("BHP") acquired a contiguous block of claims covering approximately 1,016 km^2 and carried out systematic exploration airborne and ground geophysical surveys, geological mapping and prospecting, overburden drilling and over 177,000 m of diamond drilling. BHP's work resulted in the discovery of the Boston, Doris and Madrid deposits. BHP also carried out underground exploration and bulk sampling of the Boston deposit in 1996 and 1997. From 1991 to 1998, BHP spent approximately $85 million in exploring the entire Hope Bay Greenstone Belt. The Hope Bay Joint Venture spent an additional $17 million in exploration and supplies at Hope Bay in 2000, and $15.7 million in 2001.

Geology and Mineralization

The Hope Bay Project area comprises 71 mineral claims, 9 nine mining leases, and 7 seven Inuit Agreements covering a total area of approximately 116,026 ha. The property forms three blocks; the larger Hope Bay Block covers 105,905 ha. The Hope Bay greenstone belt extends over 80 km trending north-south and is from 7 km to 20 km wide.

The Boston deposit is situated 67 km from the Arctic coast. It hosts shear-hosted gold mineralization and gold anomalies have been traced for over 5 km in the Boston area. The Lakeshore Vein of the Doris deposit, situated 6 km from the coast, hosts a significant portion of the Doris gold deposit, and can be traced for more than 6 km. A folded quartz vein referred to as the "Doris Hinge" hosts the high grade portion of the Doris deposit. The Madrid deposit is centred in a large area (2 km x 1.5 km) of anomalous gold values approximately 10 km south of the Doris deposit.

Boston Deposit

Gold mineralization at the Boston deposit is present in zones of extensive hydrothermal alteration within a large iron-rich carbonate altered shear zone. Gold occurs within and around structurally controlled quartz-carbonate veins, which have developed along lithologic contacts. Gold is associated with sulphide mineralization, mainly as clusters of pyrite within the vein, as well as in the wall rocks.

Three major horizons of gold mineralization have been identified at the Boston deposit. These are the B-2, B-3 and B-4 Zones. Each zone extends to over 1 km in length and is composed of numerous, narrow quartz-carbonate veins commonly with pyrite. The veins are 5 cm to 3 m in width and at variable lengths, within a 10 m to 40 m wide mineralized zone. Gold occurs in the quartz veins as well as in the surrounding sheared and altered volcanic rocks. The B-2 Zone has been drill tested down to 780 m below the surface and contains approximately 75% of the total resources at Boston. It is characterized by a series of parallel, en-echelon quartz-carbonate veins along the contact between basaltic and sedimentary rocks.

Within the B-2 Zone, Hope Bay Joint Venture has identified a series of mineralized lenses, some of which are tightly folded. These lenses are 50 m to 100 m along strike, vary between 3 m to 15 m in thickness and extend for more than 300 m vertically. These lenses are composed of discrete zones of quartz-carbonate veins with pyrite. Commonly, halos of disseminated pyrite accompany the lenses.

From February to June 2000, the Hope Bay Joint Venture carried out diamond drilling on the Boston, Doris and Madrid deposits. In total, 39,109 m of diamond drilling (NQ sized drill core) was completed in 289 drill holes. A number of intersections at both Boston and Doris deposits revealed very high-grade gold with visible gold. Any references to intersections set out below represent true widths.

Underground in-fill drilling on a nominal 10 m x 15 m has further defined a high-grade trend in the central portion of the B-2 Zone of the Boston deposit. This trend appears to widen at depth below the ramp bottom and continues to an area below the deepest holes drilled in 2000. Mineral Resources of the B-2 Zone of the Boston deposit are contained in at least six high grade shoots with vertical plunges, and mineralization is open at depth and along strike. Gold mineralization at the Boston deposit has been intersected in diamond drill holes down to 780 m below the surface. Commonly, mineralized intersections contain more than 15 g/t Au over at least 1 m.

Much past exploration has been concentrated along the 1 km stretch of the Boston deposit area. Gold mineralization remains open at depth and may extend to the south, where isolated high-grade gold values have been intersected in widely spaced diamond drill holes. Surface drilling in 2001 has extended the high-grade mineralization over 225 m south of the Boston decline. High-grade mineralization occurs within sub-parallel and en-echelon lenses hosted within strongly carbonate and sericite altered basalt. The 200 lens is the most extensive of these lenses, with grade occurring in two overlapping trends. Mineralization remains open along strike, and at depth. Similarly, there is potential north of the deposit and east of Spyder Lake where the mineralized zones appear to be offset by a fault. Even though previous drilling by BHP has failed to locate the faulted offset, further drilling is warranted to determine its location.

Doris Deposit

Gold mineralization at the Doris deposit is hosted by iron carbonate altered and sheared basaltic rocks (Magnesium-tholeiites). These rocks are isoclinally folded about a north-northeast trending axis. Gold occurs within quartz-carbonate veins enclosed in shear zones parallel to the isoclinal folds. Within the vein, gold is commonly associated with narrow tourmaline-chlorite septa oriented parallel to and along the vein margins. Gold is also associated with disseminated sulphides at the margins of the quartz veins, or with sulphide clusters within the vein. Occasionally, gold is present within brecciated zones adjacent to the quartz veins. Sulphide mineralization consists of trace to 2% pyrite, trace chalcopyrite, rare sphalerite and pyrrhotite. The deposit comprises three veins, the folded Doris Vein with its Central (west) and Lakeshore (east) limbs, the Island Vein and the West Valley Wall Vein.

At the Doris deposit, the 2000 drilling results confirmed the presence of the Hinge Zone, which is formed by the folding of the Lakeshore Vein and the Central Vein. Within the Hinge Zone (Doris North), mineralized intersections commonly range from 10 g/t Au over 2.5 m to 34.0 g/t Au over 9.0 m with up to 137 g/t Au over 3 m. For the Lakeshore and Central veins, mineralized intersections commonly range from 5 g/t Au over 2 m to 150 g/t Au over 2 m with up to 290 g/t Au over 0.3 m.

Results also indicate that the high- grade Lakeshore vein appears to gradually narrow to the north and locally diverges, with both parts of the vein containing high-grade gold values. These include intersections ranging from 27.3 g/t Au over 8.6 m to 229 g/t Au over 3 m.

The Stringer Zone lies in the hanging wall, west of the Lakeshore Vein and constitutes part of Doris Central. It is comprised of numerous small quartz veins, locally comprising 25% to 60% of the rock by volume. Mineralization consists of visible gold associated with 2% to 5% fine-grained pyrite. Geological continuity is good and mineralization includes intersections ranging from 10.6 g/t Au over 9.6 m to 37.8 g/t Au over 15.0 m.

Seven holes totalling 1,423m have been completed in the Doris Connector area of the Doris deposit in 2001. The Doris Connector zone spans approximately 500m in strike extent, between the Doris Central and Doris North resource areas. Drilling targeted the C2 vein, which runs parallel and approximately 30m east of the Lakeshore vein. The 2001 drill results confirmed the presence of a shallow, sub-horizontal high-grade shoot within the C2 vein in the Connector area that had previously been indicated by limited, wide spaced drilling.

Madrid Deposit

Zone definition at Madrid is more complicated than a typical vein-type deposit due to the nature of the disseminated pyrite/veinlet-stockwork mineralization. Although the five zones (Perrin, Rand, Matrim, and the recently identified Naartok and Suluk zones) share common characteristics such as disseminated pyrite, carbonate alteration and quartz carbonate stringers, each zone has several defining properties and spatial relationships that were used to aid in the interpretation and construction of the model.

Perrin, Rand and Matrim Zones

The Perrin Zone is characterized by wide intervals of grey to brassy, or rarely lavender coloured carbonate ± albite ± sericite alteration and fine-grained pyrite concentrations (5-12%) accompanied by anomalous gold values. The Rand Zone exhibits similar characteristics to the Perrin Zone, but is differentiated by a narrower alteration halo, and a meta-sediment host-rock association. Gold grades area associated with fine-grained disseminated pyrite (10-25%) in an altered, variably brecciated zone that occurs sub-parallel to host stratigraphic units (i.e. broadly stratabound). The Matrim Zone is a 4 to 5m wide quartz-carbonate-albite breccia zone hosted within pervasive silica- carbonate-albite-sericite altered basalts and gabbros. Matrim mineralization displays both crosscutting and sub-parallel relationships with stratigraphic units. Fine to medium grained pyrite is present within veinlets and disseminated within the host rock.

Naartok Zone

The Naartok deposit is characterized by a west trending, steeply north-dipping zone of disseminated, stockwork, and breccia-style gold-pyrite mineralization associated with dolomite-sericite-silica-albite alteration within mafic volcanic rocks. The gold mineralization lies in the hanging wall (north side) of, and structurally above a west trending zone of highly sheared rock called the Deformation Zone (DEFZ), which is composed of highly deformed quartz-dolomite breccia and porphyry. A fundamental control on Naartok mineralization appears to be a local shallowing of the dip (or a flexure) of the northern DEFZ contact. Host rocks for mineralization are primarily mafic volcanics and gabbros, which may be high iron and/or high magnesium tholeiites and basaltic komatiites. The hanging wall volcanics along the DEFZ contact commonly display brecciation, which increases in intensity proximal to the contact. The overall width of the breccia halo increases in the area of the Naartok Shoot.

The Naartok deposit consists of several generations of quartz veinlets, breccia and alteration. Gold grade, pyrite content, quartz vein density and intensity of quartz flooding increase with proximity to the DEFZ. The highest gold grades and most common occurrences of visible gold correlate with a younger quartz vein stockwork and multi-phase breccias which display strong silicification and pyrite mineralization. Silicification occurs as pervasive silica flooding, as matrix to volcanic breccia clasts, as bands of complete silica replacement and as irregular banded veinlets and veins up to several centimetres in width. Occurrences of visible gold are largely restricted to these silica features.

Suluk Zone

The Suluk Zone at Madrid lies southeast of the Naartok Zone, along the trend of the DEFZ that appears to control the mineralization at Naartok. The mineralization at Suluk is similar to Naartok, with silicification, quartz stock working and pyrite within a broader sericite-dolomite alteration halo. Gold mineralization is associated with brecciated, silicified, and sulphidized mafic to ultramafic volcanic rocks with intercalated carbonaceous and/or graphitic argillite. The better gold values seem to be associated with higher percentages (>5%) of fine-grained disseminated pyrite within the quartz-carbonate-sericite altered horizons. A ductility/rheologic contrast between basalt and argillite causing brittle failure of basalt in the vicinity of argillite layers is thought to locally control emplacement of mineralization.

At Suluk, three parallel and variably altered and mineralized zones, named West, Central and East Zones, that dip at 80^0 to the west have been traced for 350m along strike. There are three separate, steeply west-dipping zones of mineralization at Suluk. The West Zone appears to have the best gold grades, and the strongest mineralization. It appears to have a nearly vertical to perhaps slightly northerly plunge. Mineralization at Suluk is situated 15 to 60m east of the DEFZ, and does not lie immediately adjacent to the DEFZ as it does at Naartok.

Exploration

The Hope Bay Joint Venture has a focussed exploration strategy for the systematic evaluation of the mineral potential of the Hope Bay Greenstone belt, which extends more than 80km north to south and up to 20km east to west. Hope Bay is a typical Archean greenstone belt that encompasses a variety of geologic environments prospective for several different styles of mineralization. To date, exploration has targeted outcropping shear and vein hosted Archean lode gold deposits, such as those discovered at Boston and Doris. However, the discovery of the Naartok and Suluk deposits in 2001, the sources for the majority of resource additions on the Hope Bay belt in 2001, illustrates the potential for different styles of deposits including ones that do not outcrop. Exploration in 2002 will includes areas with extensive cover and areas with potential for different styles of mineralization to those previously discovered on the belt.

Exploration Priorities and Work Program

In addition to the development drilling program contemplated for the Doris Hinge Zone discussed below, approximately 4,000m of exploration core drilling and 2,800m of reverse circulation ("RC") drilling are planned from March through May, 2002. This drilling is being conducted at a number of recently developed targets with the objective of identifying areas with potential to host significant new gold deposits. As in previous years, additional work programs may be warranted, depending on the results of these activities. The principal targets and areas to be evaluated are described below.

Core Drilling

The Kamik area is one of the most prospective areas on the Hope bay belt. It encompasses a poorly exposed 7.5 km long zone of iron carbonate alteration between two confining major regional structures approximately central to the Hope Bay belt. Subsidiary splays adjacent to an anticlinal folded sequence have yielded significant gold values. Approximately 2,400m of core drilling is proposed to test the potential of the Omayok portion of the Kamik area for a significant near surface gold deposit. Summer mapping is also planned for the nearby Kamik Nose area, where interpreted anticlinally folded basaltic rocks are coincident with magnetic destruction, a geological setting similar to that hosting the Boston deposit.

Following an initial orientation RC drilling program, approximately 800m of core drilling is proposed for the Twin Peaks area just south of Conglomerate Hill, at the north end of the Hope Bay belt. Twin Peaks has characteristics indicative of a Timiskaming unconformity-type target that may be related to an intrusive syenite stock. The Twin Peaks area lies near a major structure and within a previously unidentified extensive alteration trend. Mapping has been concentrated along the volcanic-sedimentary contact, testing for alteration in volcanics and intrusives. Limited sampling has returned anomalous gold values and the proposed core drilling will evaluate this area for its potential to host significant, near surface mineralization.

The third target to be tested with core drilling is the QSP area, which lies in felsic rocks on the western margin of the Hope Bay Belt. It is a gold-rich target hosted in altered, pyritic, felsic volcanics traced over 1km. This is a volcanogenic massive sulphide ("VMS") setting. Core drilling by BHP intercepted 16.8g/t gold over 2m at the southern end of a trend of strongest alteration and high pyrite content. Approximately 750m of core drilling is planned to test the 500m long strong alteration trend, as well as a possible subsidiary trends.

RC Drilling Targets

In addition to core drilling, approximately 2,800m of RC drilling in over 100 holes is planned to undertake preliminary evaluations of five new prospective areas. One of these is the Twin Peaks area, where RC drilling will precede the core drilling to assist in target definition. The other four targets are largely overburden covered and therefore have little outcrop. However, geophysical interpretation combined with mapping of the limited outcrop data suggests areas prospective for large buried mineralized systems.

Gas Cache is an area with coincident folded anticlinal hinge and magnetic destruction in high iron basalt terrain, similar to the Doris area. Outcrops adjacent to the large swampy area covering the main target exhibit local iron carbonate alteration. Grab samples in the vicinity have returned values up to 491 g/t gold.

Amarok 5 target is a major flexure in a regional structure, with carbonate alteration corridors and magnetic destruction in covered areas, a setting similar to Boston.

Nexus is a shear hosted lode gold target on the projected south extension of the Deformation Zone, the locus for mineralization in the Madrid and Patch Lake areas, including the Naartok and Suluk discoveries of 2001. Nexus lies adjacent to a large scale belt flexure, suggesting potential for dilation

Boston NE target is gold mineralization emplaced contemporaneously with or subsequent to thrusting under structurally prepared ground in chemically favourable horizons in a covered area northeast of the Boston deposit.

Regional Exploration

The 2002 budget also includes an allowance for summer field work to evaluate further targets along the western portion of the Hope Bay belt, to examine small volume intrusive targets that could be prospective for larger tonnage gold deposits and for geologic mapping to generate new early stage prospects, and complete required assessment work. Additional work programs and budgets could be warranted in 2002, depending on the results of these initial programs.

Doris North Development Scenario

During the latter half of 2001, the Hope Bay Joint Venture undertook a Preliminary Assessment (the "Study") to consider the economic potential of the Hope Bay Belt. The Study was undertaken by Steffen Robertson and Kirsten Consulting "SRK". The Joint Venture initially considered a variety of options for the development of the Hope Bay belt. The Joint Venture believes that a stand alone development of the high grade, near surface Doris North Zone, particularly the Doris Hinge, may provide for a low capital cost, rapid payback operation that could generate cash flow to continue the exploration and development of the Hope Bay belt. The minimal disturbance resulting from this small scale development scenario is expected to minimize impact issues which in turn should also simplify the permitting process. As a result, the Study focused solely on the development of the Doris North Zone.

Assuming the project proceeds as contemplated in the Study, the development of the Doris North Zone would commence with a small open pit followed by ramp access and underground mining of the majority of the Doris Hinge Zone resources plus limited amounts of the Central and Lakeshore veins in the limbs of the Doris Hinge Zone. In addition, approximately 9,000 tonnes of higher-grade material stockpiled at the Boston deposit would be hauled to the mill for processing. The Boston camp (at the south of the belt) would be moved to the Doris in the north and the Boston site cleaned up to reduce its current level of bonding. These actions are not expected to prevent the later development of the Boston deposit.

Due to the relatively large dimensions and good geological continuity of the Doris Hinge Zone, underground mining would be by lower cost room and pillar methods. To minimize capital costs, mining and ore haulage is proposed to be undertaken by a contractor. Ore would be delivered to a crusher located adjacent to the portal that would feed a modular mill pre-constructed off site. Due to the modularized nature of the mill, it would require no foundations but would be set on bedrock and covered with a sprung structure similar to those used at a number of other arctic locations. The ore would undergo conventional crushing and grinding with an integrated gravity gold recovery circuit followed by flotation and cyanidation, with gold dore produced on site. As announced subsequent to year- end 2001 the scenario has the Doris North development producing approximately 270,000 ounces of gold over a 2.1 year period at cash costs of US$114 per ounce of gold.

Drilling has is almost complete at the Hope Bay project, with three core drills currently active on the Doris North Zone as part of an $8 million work program approved for 2002. The drilling program contemplates approximately 100 drill holes totalling 8,900m targeting the Doris North Zone, limited step out drilling to expand the Hinge Zone to the north and condemnation drilling. This drilling is designed to upgrade the Doris North Zone to feasibility standards and to provide the basis for new resource estimates to be utilized in the planned feasibility study for the development on the Doris North Zone.

2001 Resource Estimate

Mineral resource estimates for the Hope Bay project were updated to incorporate the results of all holes drilled during 2001 and are summarized below. Further details, including a specific breakdown of measured and indicated mineral resources and inferred mineral resources for individual deposits, cut-off grades and other assumptions are outlined in the tables attached to the news release dated January 15, 2002 attached as an exhibit to this document.

Summary of Hope Bay Project Mineral Resource Estimates to December 31, 2001

100% Basis, Miramar Ownership is 50%	Tonnes	Gold Grade	Contained Gold

Ownership is 50%	**(000's)**	**(g/t)**	**(000's oz)**
Category/Deposit			
Measured & Indicated Resources			
Boston	1,386	15.4	687
Doris	887	21.5	614
Madrid	1,090	10.3	363
Sub-total Measured & Indicated Resources	**3,363**	**15.4**	**1,664**
Additional Inferred Resources)			
Boston	2,574	10.9	901
Doris	1,679	15.0	811
Madrid	2,460	11.8	935
Sub-total Additional Inferred Resources* (1)	**6,713**	**12.3**	**2,648**

(1) ***Inferred resources are in addition to measured and indicated resources.***

Assumptions

Resource estimation models for the Boston, Doris (excluding the Doris Hinge and Doris Central zones) and Madrid (excluding Naartok and Suluk) were estimated utilizing a two dimensional polygonal approach. The Doris Hinge, Doris Central, Naartok and Suluk deposits were block modelled using ordinary kriging methods, whereas other zones applied inverse distance methods. Capping and cut off grades were applied as set out in the attached tables. Measured resources were estimated only in the Boston B2 Zone where the resource blocks have been undercut. Indicated resources for all the deposits generally lie within 25 metres of a drill hole within detail drilled areas and inferred resources generally lie no more than 50 metres from a drill hole

These mineral resources represent more than a 30% increase in total contained ounces on the Hope Bay belt versus year- end 2000 estimates, with the additions primarily a result of the Naartok and Suluk discoveries in the Madrid area. The majority of these resource additions are in the inferred category due to the relatively wider spaced drilling in the Suluk deposit, which contributes the largest proportion of the resource additions. In addition, some resources in the Doris North area were reclassified from indicated to inferred. The measured and indicated resources have increased approximately 18% primarily as a result of additional drilling to the south of Boston and in the Madrid area, offset by the reclassification of part of Doris North. All resource estimates have been prepared by the Hope Bay Joint Venture staff in accordance with Canadian regulatory requirements set out in National Instrument 43-101 and reviewed by Dean McDonald, P. Geo. Ph.D. These estimates have been audited by independent resource consultant Geostat Systems International Inc. of Montreal.

There are no known ore reserves on the Boston or Doris Properties and all work programs on the property at this time are exploratory searches for ore grade mineralization.

Cautionary note to U.S. investors concerning estimates of measured and indicated resources. The terms "Indicated Mineral Resource" and "Inferred Mineral Resource" used in this report are Canadian mining terms as defined in accordance with National Instrument 43-101 – Standards of Disclosure for Mineral Projects. In the United States, a reserve is defined as a part of a mineral deposit which could be economically and legally extracted or produced at the time the mineral reserve determination is made. See "Glossary" for defined terms. U.S. investors are cautioned not to assume that any part or all of mineral deposits in these categories will ever be converted into reserves.

The mineral resources were determined by the use of mapping, drilling, sampling, assaying and evaluation methods generally applied in the mining industry. Inferred and Indicated resource estimates were calculated using different cut-off grades depending on each deposit's properties. The term "cut-off grade" means the lowest grade of mineralized rock that can be included in the resource estimate in a given deposit. Cut-off grades vary between deposits depending upon prevailing economic conditions, mineability of the deposit, amenability of the ore to gold extraction, and milling or leaching facilities available. This classification does not endeavour to describe the reserves, if any, but merely describes the mineralization that lies within the drilled area.

Inferred and indicated mineral resource estimate figures presented herein are estimates, and do not constitute reserves. There is no assurance that a commercially viable ore deposit (if any) exists on the Boston or Doris properties until further exploration work and a comprehensive evaluation based upon unit cost, grade, recoveries and other factors conclude economic feasibility.

Permitting

The Territory of Nunavut was created on April 1, 1999, with the sitting of its first Legislative Assembly. Four resource management boards have operated since July 1996; the Nunavut Water Board ("NWB"), the Nunavut Impact Review Board ("NIRB"), the Nunavut Wildlife Management Board ("NWMB") and the Nunavut Planning Commission ("NPC").

Receiving overall project approval and operating permits will be dependent upon an environmental assessment process coupled with community consultation and, in the case of major developments, the successful negotiation of an acceptable Inuit Impact and Benefit Agreement made under the Nunavut Land Claims Agreement. It is expected that between 18 and 24 months may be required to obtain approvals and licenses for construction and operation of a mine. To date, there has been no precedent case to assess the time or efficiency of the process in Nunavut. One issue is the method in which cumulative impacts of mineral development are assessed.

Any use of Inuit surface land requires a land use permit, licence or lease. Such permits are issued and administered by the Kitikmeot Inuit Association ("KIA"). Applications are reviewed by the KIA, NIRB and local communities, any one of which can attach specific conditions to the permit. Land-use licences are valid for up to three years. Amendments describing proposed work must be submitted on an annual basis and are subject to local community review.

Leases which will be valid for longer terms will be required for activities which involve establishing semi-permanent infrastructures. BHP was negotiating the terms of a lease for the Boston deposit at the time of conclusion of the June 28, 1999 agreement between BHP and Hope Bay Gold. These negotiations were suspended pending the sale of the Hope Bay Project to Hope Bay Gold and the Corporation and, consequently, the detailed provisions of the lease have yet to be finalized. The Hope Bay Joint Venture is currently finalizing the terms of the Boston deposit commercial lease with KIA.

Any water use on Inuit lands requires permitting. The NWB issues all water licenses and permits within Nunavut subject to a review by NIRB, which provides recommendations to the Nunavut Water Board respecting permit issuances.

Permitting on Doris Development Scenario Commenced

A Preliminary Project Description on the Doris Development Scenario has been filed with the Nunavut Water Board and the Kitikmeot Inuit Association for the development of the Doris Hinge Zone. This commences the formal permitting process in Nunavut and it is anticipated this document will be forwarded to the Nunavut Impact Review Board for review shortly.

Diamond Rights

On March 27, 2002, Sherwood Mining Corporation ("Sherwood"; formerly Sherwood Petroleum Corporation), a TSX (formerly CDNX) listed company, signed a letter of intent with Corporation's wholly owned subsidiary Miramar Hope Bay Ltd. and Hope Bay Gold Corporation Inc. (the Hope Bay Joint Venture), whereby the joint venture agreed to grant to Sherwood an option to earn up to a 70% interest in any diamondiferous bodies discovered in the Hope Bay Belt. The terms of the letter agreement contemplate that Sherwood can earn up to a 50% interest in any diamondiferous bodies on the Hope Bay Belt by incurring $2,000,000 in diamond exploration expenditures on the belt over a period of four years. At Sherwood's election, it could increase its interest to 70% by solely funding a 20 tonne bulk sample on any diamondiferous body located within the Hope Bay Belt. The letter agreement of intent is subject to Board the approval by of the Boards of Directors of all parties and then execution of a formal agreement within 60 days of signing the letter of intent. The formal agreement is currently being finalized.

A program of reinterpreting all available geophysical data for the Hope Bay and Elu belts for possible kimberlitic targets, and the processing of approximately 154 till samples collected from the Hope Bay Belt for diamond indicators minerals, is planned. The results of these activities will provide the basis for a proposed regional till sampling program and other activities targeting the diamond potential of the belt.

Elu Property

In August 2001 Miramar Hope Bay and Hope Bay Gold completed the sale to Sherwood Petroleum Corporation, renamed Sherwood Mining Corporation, a TSX (formerly CDNX) listed company ("Sherwood"), of approximately 10,000 hectares in 11 Crown mineral claims on the Elu greenstone belt in Nunavut Territory. The Elu Property is located approximately 30 kilometres northeast of the Hope Bay belt. Given the large number of prospective targets identified within the Hope Bay belt, no work was planned for the Elu belt in 2001 and the Corporation and Hope Bay Gold determined that the potential of the Elu belt could be better evaluated by separately funding these activities.

Sherwood issued 10,000,000 units of Sherwood (5,000,000 units to each of the Corporation and Hope Bay Gold) at a deemed price of $0.25 per unit as the purchase price of the Elu property. Each unit will be comprised of one common share in the capital of Sherwood and one common share purchase warrant of Sherwood. Each warrant will entitle the holder to purchase one additional common share during the period expiring two years from date of the issuance of the warrants at a price of $0.40 per common share, payable in cash.

Sherwood will have the right to acquire any additional mineral claims staked within a perimeter of 7 km east and west and 20 km north and south of the Elu property, but Sherwood cannot acquire any properties within 10 km of the existing Hope Bay properties.

Nevada Properties

On February 28, 2002, Talapoosa Inc., a wholly owned subsidiary of Miramar Mining Corporation, sold the Talapoosa property to a wholly owned Nevada subsidiary of American Gold Capital Corporation ("American Gold") for 575,000 common shares of American Gold and an option to acquire an additional 175,000 common shares of American Gold for nominal consideration upon either (i) completion of a positive feasibility study in respect of the Property or (ii) completion of a subsequent sale of the Property by American Gold for gross proceeds greater than $2 million. In the event that American Gold sells all or part of the property for less than $2 million, they are obligated to pay 8.75% of the gross proceeds to Talapoosa Inc. in either cash, shares or at the then market price to a maximum of $175,000.

Northern Orion Explorations Ltd.

At March 31, 2002, the Corporation owned 70,012,471 shares of Northern Orion, which represents approximately 57.3% of Northern Orion's issued capital of 122,203,555 shares. The Corporation acquired these shares through the sale to Northern Orion of the shares of a private Argentine company (2,600,000 shares), private placements and warrant exercises (13,825,000 shares), the sale of interests in certain Cuban projects to Northern Orion (23,484,850 shares), normal course purchases made during 1998 (663,000 shares), shares issued to settle debt (15,000,000 shares) and the conversion of a convertible debenture (14,439,621 shares).

The Corporation also owns two promissory notes, each in the amount of $3.45 million, which are convertible into common shares of Northern Orion at $0.15 per share of Northern Orion (the "Northern Orion Notes") and a net smelter and proceeds agreement ("Proceeds Agreement") requiring Northern Orion to pay to the Corporation an amount equal to 2.5% of the net smelter returns from all products sold from the Agua Rica and Mantua properties (described below). The Proceeds Agreement also requires Northern Orion to pay to the Corporation 50% of the net proceeds of sale of any interest in the Agua Rica or Mantua properties. The maximum amount payable under the Proceeds Agreement is $15 million.

The Corporation has granted an option to 1341180 Ontario Limited, an arm's length third party, (the "Third Party Option") to acquire on or before June 30, 2002:

1. 60,012,471 Northern Orion shares held by the Corporation (all shares held except for 10 million shares which the Corporation will retain) at a price of $0.08 per share, exercisable in blocks of 5 million shares or more (the "Share Option");

2. the first Northern Orion Note for $10, provided that the Corporation has received at least $3 million from the sale of Northern Orion shares through the exercise of the Share Option;

3. the second Northern Orion Note for $10, provided that at least 48,009,977 Northern Orion shares have been sold through the exercise of the Share Option.

The Corporation also granted to 1341180 Ontario Limited a right of refusal over the Northern Orion shares held by the Corporation and a voting trust to Robert Cross, an affiliate of 1341180 Ontario Limited, allowing him to vote all Northern Orion shares held by the Corporation.

Northern Orion's principal assets are a 30% interest in the Agua Project in Argentina and a 50% interest in the Mantua project in Cuba.

The Agua Rica copper/gold property is a large copper porphyry deposit located on a group of exploitation concessions and mining claims located in Catamarca Province, Argentina. The Agua Rica project is held in a joint venture with BHP Minerals International Inc. ("BHP") which owns a 70% interest and is the operator of the project. In November 1997, the joint venture released a positive initial feasibility study on the Agua Rica Project which recommended proceeding with the work to complete a final feasibility study and development plan for the project. As a result of low copper prices the project is currently on care and maintenance.

The Mantua copper project consists of a secondary enriched copper deposit located in Pinar del Rio Province, western Cuba, 240 kilometres from Havana. The Mantua Project consists of an 8 square kilometre production concession and an adjoining 11.2 square kilometre area of interest. During 1998 and 1999 Northern Orion operated a gold heap leaching operation at the Mantua project producing 31,389 ounces of gold of which Northern Orion's share was 15,694.5 ounces. Revenues from gold sales were US$4.8 million of which Northern Orion's share was $2.4 million, against a capital cost of $14 million. Northern Orion is currently seeking funding for a feasibility study to evaluate the potential for copper recovery using a ferric leach process and SX/EW to produce copper cathode on site.

Item 5 OPERATING AND FINANCIAL REVIEW AND PROSPECTS

Management's Discussion and Analysis of Financial Condition and Results of Operations

A. Operating Results

Unless expressly stated otherwise, all references to dollar amounts in this section are in Canadian dollars in accordance Canadian GAAP. Note 17 of the December 31, 2001 financial statements of the Corporation included herein discusses some of the material differences between Canadian GAAP and US GAAP, and their effect on the Corporation's financial position and results of operations.

In 2001, the Corporation continued to focus on its Northern Strategy to enhance the Yellowknife mining operation and the Hope Bay exploration project. The Hope Bay project was advanced through exploration drilling programs, the undertaking of a preliminary assessment examining a development scenario at the Doris North zone and other engineering studies. Exploration activities resulted in the discovery of two new deposits, Naartok and Suluk, increasing the project resource by approximately 30% as well as identifying additional targets for future programs. In Yellowknife, mine operating performance at the camp improved over the prior year, delivering a total of 129,607 ounces at cash costs of $256 per ounce. Mining operations continued to focus on the Corporation's objective of generation of free cash flow.

During the second quarter of 2001, as part of a financial restructuring of Northern Orion Exploration Ltd., the Corporation granted an option to an unrelated party allowing the holder to purchase approximately 60 million shares of Northern Orion from the Corporation for $0.08 per share. The Corporation also granted voting rights over the shares under option to the holder effective April 30, 2001. As a result, the Corporation no longer controls Northern Orion and ceased consolidation of its investment in Northern Orion. Commencing May 1, 2001, the Corporation began accounting for its investment in Northern Orion using the equity method of accounting. The option and voting agreement expire June 30, 2002.

<u>Losses and Cash Flow</u>

For the twelve months ending December 31, 2001, the net loss was $5.9 million or $0.10 per share, compared with a loss of $43.4 million or $0.76 per share in 2000 and a loss of $20.1 million or $0.35 for 1999. The loss in 2000 includes $37.2 million for write-downs related to the Corporation's investment in Northern Orion, mineral properties and other charges. The loss in 2000 before write-downs and other charges was $6.2 million or $0.10 per share. The loss in 1999 includes net write-downs and other items of $20.3 million or $0.36 per share. Operating cash flow for the year 2001 was $5.5 million compared to $2.8 million for 2000 and negative $9.8 million for 1999.

Operations Overview

Revenues

The Corporation's primary source of revenues is derived from gold produced at its Yellowknife operations. For the twelve months ending December 31, 2001, the Corporation produced 129,607 ounces of gold as compared to 121,874 ounces in 2000 and 38,678 in 1999. Results in 1999 were impacted by the strike of hourly employees that extended from May 1998 to June 1999, during which all mining activities were suspended. Revenue from gold sales was $54.9 million for the year 2001, as compared to $51.2 million in 2000 and $25.5 million in 1999. During the year, the Corporation realized US$274 per ounce of gold sold, compared to US$284 in 2000 and US$283 in 1999. In Canadian dollar terms, the realized price was $424 in 2001 compared to $420 in 2000 and $419 in 1999.

Mining Operations

During the year 2001, the Yellowknife operations produced 129,607 ounces at a cash cost of US$256 compared to 121,874 ounces produced in 2000 at US$264 cash cost per ounce and 38,938 ounces at US$272 in 1999. Northern Orion suspended gold operation at the 50% owned Mantua mine in the third quarter of 1999 due to significantly lower than expected heap leach recoveries and longer than expected leach times. Total gold production at Mantua in 1999 (100%) was 15,066 ounces at US$431 per ounce.

Yellowknife Operations	**2001**	2000	1999
Giant Mine			
Tons of ore milled	**73,247**	78,957	-
Average mill head grade (ounces per ton)	**0.393**	0.329	-
Average recovery rate	**88.2%**	82.9%	-
Ounces of gold recovered	**25,361**	21,510	-
Con Mine			
Tons of ore milled	**298,455**	300,516	119,347
Average mill head grade (ounces per ton)	**0.377**	0.378	0.349
Average recovery rate	**89.8%**	89.5%	93.5%
Ounces of gold recovered	**100,992**	101,670	38,938
Arsenic tailings			
Tons of ore milled	**9,187**	3,260	-
Average mill head grade (ounces per ton)	**0.470**	0.457	-
Average recovery rate	**88.1%**	81.1%	-
Ounces of gold recovered	**3,806**	1,210	-
Northern Orion			
Mantua mine			
Tons of ore milled	**-**	-	351,844
Average mill head grade (ounces per ton)	**-**	-	0.059
Average recovery rate	**-**	-	36.3%
Ounces of gold recovered	**-**	-	7,533
Total ounces of gold recovered	**130,159**	124,390	48,915
Total ounces of gold shipped	**129,607**	121,874	56,566

Cost of sales

The cost of sales in 2001 was $47.5 million compared to $44.1 million 2000 and $23 million in 1999. The higher cost of sales in 2001 reflects a full year of operation at the Giant mine as compared to only 10 months in 2000, higher plant heating costs as well as increased processing costs related to the higher tonnage of arsenic tailings processed. The Giant mine was acquired in December 1999 and mining activities were restarted during January and February; start-up costs during this period were capitalized. Cost of sales in 1999 includes the Con mine operating costs only for the period from July to December, which corresponds to the period after settlement of the strike. The fixed holding costs during the strike period (January to June) have been excluded. Also included in 1999 are production costs totalling $3.9 million for Northern Orion's 50% interest in the Mantua mine.

Exploration Activities

<u>Hope Bay Joint Venture - 50% Ownership</u>

The Corporation participates in exploration and development of gold resources in Nunavut through its 50% interest in the Hope Bay Joint Venture ("HBJV"), a joint venture created upon the acquisition in December 1999 of a 50% interest in the Hope Bay Project for cash consideration of $19.7 million and a commitment to fund exploration totalling $7.2 million over the 2000 and 2001 drilling seasons. Programs for the project are proposed and agreed to by the parties. Failure to meeting funding commitments for approved programs by either party to the joint venture could result in dilution of their respective interests in the project.

During the year 2001, the Corporation participated in a $15.4 million program, completing approximately 34,914 meters of definition and exploration core drilling and 4,915 meters of regional exploration reverse circulation drilling. Phase 1 of the program was focused on continued drilling at the three main deposits on the Hope Bay belt and in prospective regional exploration targets in the over 1,016 square kilometer land package. Results from Phase 1 included the discovery of two new deposits – Naartok and Suluk – in close proximity to the Deformation Zone. Phase 2 of the program was approved in May for an additional 7,855 meters of drilling targeting the newly discovered Naartok and Suluk zones and to further explore the belt. Phase 3 was completed during the third quarter comprising 4,680 meters primarily at Naartok zone and other targeted areas along the prospective Deformation Zone. The programs were successful in defining potential drill targets for the 2002 drill season and expanding both Naartok and Suluk along strike and to depth. In addition, the Joint Venture embarked upon a Preliminary Assessment study with SRK and Bateman Engineering to establish potential project economics and to define development related activities for the 2002 season.

During 2000, the Corporation participated in a $19.1 million exploration program, which including $2 million to pre-position fuel, equipment and supplies for the 2001 work program. Total exploration drilling in the period totalled 46,351 meters. The majority of the drilling, 39,109 meters, was concentrated at the Boston and Doris deposits for resource delineation and definition. Regional exploration drilling totalled 7,242 meters. The 2000 program was funded as follows– the initial $1.9 million by the Corporation's Joint Venture partner, Hope Bay Gold Corporation ("HBG"), the next $2.9 million by the Corporation, the following $6.8 million by HBG and the remaining $6.7 million funded equally by the Corporation and HBG. From August 2000 forward, both participants funded activities equally.

Capital Programs

During 2001, the Corporation incurred $8.1 million for the exploration activities of the Hope Bay joint venture and incurred $6.4 million on mine capital and development at the Yellowknife operations. This compares with expenditures of $5.5 million on the Hope Bay joint venture, $9.1 million for mine capital and development and $0.3 million to acquire additional claims at Hope Bay in 2000. Capital programs were higher at the Yellowknife operation during 2000 due to capitalized start-up cost at the Giant mine and greater development requirements at the Con mine. Expenditures in 1999 included $21 million for the acquisition of Hope Bay and a total of $11.1 million for mine development and mineral property exploration and development.

Write-down of Mineral Properties and Other Charges

In 2000, the Corporation recorded a write-down of $26 million on the carrying value of its investment in Northern Orion to reflect the impact of the potential disposal of its controlling interest in the shares of Northern Orion. This charge was in addition to the write-down by Northern Orion of the San Jorge project in Argentina of $22.2 million. In 1999, the Corporation recorded a write-down of certain mineral properties held by Northern Orion of $10.5 million and other assets $1.8 million. Also in 1999, costs of holding the Con mine during the labour disruption of $3.0 million and severance and terminations of $4.4 million were incurred.

Depreciation, Depletion, Reclamation and Other Expenses

General and administrative expenses in 2001 of $3.0 million were 27% lower than the $4.2 million incurred in 2000 and 41% lower than the $5.1 million incurred in 1999. The Corporation has reduced the general and administrative expenditures over the three-year period by the elimination of Northern Orion overheads in 2001 as a result of the financial restructuring of Northern Orion and by reductions in staffing and related costs. Depreciation and depletion expense in 2001 was $8.9 million compared to $9.2 million in 2000 and $7.7 million in 1999.

Reclamation

Reclamation expense in 2001 was $1.8 million compared to $1.6 million in 2000 and $1.1 million in 1999 and is comprised of the provision for future closure costs at the Con mine as well as actual expenditures in the period at the Yellowknife and Nevada operations. The provision for future closure costs includes site restoration based on third-party engineering estimates and estimates for employee severance and other related costs, net of estimated asset salvage. These costs are accrued and expensed based on remaining projected mine life.

Nevada Properties

Throughout 2001 and 2000 activities at the Golden Eagle, Talapoosa, and Bruner properties have been geared towards final reclamation and closure. In the third quarter of 2001, the Corporation was recognized for environmental achievement receiving the State of Nevada Small Mines Reclamation Award for work completed at the Golden Eagle Mine.

Interest and Other Income

In 2001, interest and other income decreased to $0.9 million from $1.5 million in 2000 and $3.4 million in 1999. Interest income in 2001 of $0.6 million was lower than $1.4 million in 2000 and $3.4 million in 1999 due to lower average cash balances held during 2001 and lower interest rates realized. In 2001, the Corporation realized a gain of $0.3 million on the sale of mine equipment at the Nevada operations.

B. Liquidity and Capital Resources

Liquidity

At December 31, 2001, the Corporation had consolidated working capital of $16.1 million as compared to $21.2 million at the end of 2000 and $33.8 million at the end of 1999. Of the $16.1 million working capital $13.5 million is cash and cash equivalents as compared to $17.7 million in 2000 and $30.0 million in 1999.

Financing Activities – Flow Through Securities

During 2000, the Corporation completed a private placement of 3,333,500 Special Warrants for gross proceeds of $4.0 million. Each Special Warrant was converted into one flow-through common share. The proceeds of the financing were used by the Corporation to incur Canadian Exploration Expenditures as defined by the Canadian Income Tax Act on the Hope Bay Project.

In May, 2001 the Corporation completed a private placement of 3,076,838 special flow through warrants at price of $1.30 per special warrant for gross proceeds of $3,999,890. Each special warrant was converted into one flow-through common share. Under the terms of the offering, which closed on May 11, 2001 and May 30, 2001, the Corporation issued 1,025,123 special warrants at a price of $1.30 per unit for proceeds of $1,332,660 and 2,051,715 special warrants at a price of $1.30 for proceeds of $2,667,230 respectively. The Corporation used the proceeds of the private placement to incur Canadian Exploration Expenditures as defined by the Canadian Income Tax Act, which the Corporation renounced the tax deductions in relation to the expenditure to the individual investors enabling them to reduce their Canadian taxable income by the purchase price of the special warrants. The Corporation paid commissions of $248,812 and issued warrants convertible into compensation options to purchase 206,116 common shares for two years at $1.30 per share to Canaccord Capital Corporation for its services as a securities dealer in relation to the private placement.

On March 8, 2002, Miramar completed the sale of by way of private placement to Canadian investors 2,666,667 flow through common shares at $1.50 per share for gross proceeds of $4 million. The Corporation will use the proceeds of the private placement to incur Canadian Exploration Expenditures as defined by the Canadian Income Tax Act, which the Corporation renounced the tax deductions in relation to the expenditure to the individual investors enabling them to reduce their Canadian taxable income by the purchase price of the special warrants. The Corporation paid commissions of $260,000 and issued compensation options to purchase 186,666 common shares for two years at $1.50 per share to Canaccord Capital Corporation for its services as a securities dealer in relation to the private placement.

The Company must solicit and obtain new capital to pursue its exploration and development work. Given the nature of capital market demand for speculative investment opportunities, there is no assurance that additional financing will be available for the appropriate amounts and at the times required. See "Key Information – Risk Factors - Requirements for and Uncertainty of Access to Additional Capital," Item 3.

Debt Financing

The Corporation has entered into discussion with several financial institutions regarding the possibility of arranging credit facilities to finance the estimated feasibility costs of the Doris North project at Hope Bay.

Commitments

Hedging and Written Call Options

It is the Corporation's policy to use a combination of forward sales contracts and put and call options for both gold and Canadian dollar hedging to protect the Corporation from a weak selling price for gold while still maintaining the Corporation's ability to participate in improvements in the gold price. In 1999, the Corporation sold twelve 3,000-ounce call options at a strike price of US$285 per ounce for months ending from July 2002 to June 2003. If exercised, these call options would require the

Corporation to deliver 3,000 ounces of gold per contract at a price of US$285 per ounce. The premium from these call options was used to acquire an equivalent number of US$270 per ounce put options that matured during 2000. During 2001, the Corporation entered into an agreement to replace the 36,000-ounce call options with an equivalent number of call options with a strike price of $450 per ounce with the same delivery schedule. This transaction removed the margin that had been in place and replaced it with certain financial covenants that the Corporation must maintain. Failing to meet any of these covenants could result in the financial institution closing out the contracts for the net value at the time of the default. As at December 31, 2001, the calls had a negative mark to market value of $1.0 million. Factors used in determining the fair value of the gold call options are: the contracted sales price of gold, the current spot gold price and the probability of movements in the price of gold over the term of the option. As at December 31, 2001, the combination of the current spot price of US$278 per ounce and the probability of future price changes affected the fair value of the gold call options sold. However, the effect of the probability of future price changes on the fair value estimate diminishes over the life of the option.

The Corporation's gold sales are denominated in US currency. In order to manage its exposure to currency fluctuations, the Corporation periodically enters into currency forward sales to establish fixed exchange rates.

Environmental Obligations

Subsidiaries of the Corporation have been granted various licences and permits to enable operation of the Con and Giant mines and the exploration activities at Hope Bay. As a condition of these licences and permits, these subsidiaries of the Corporation have an obligation to reclaim and restore areas of operation and disturbance to acceptable standards as established by the government agencies responsible. Under the terms of various permits and licences, the Corporation's subsidiaries have established cash collateral security deposits totalling $3.8 million ($4.5 million in 2000 and $2.7 million in 1999).

For the Con mine, as part of the annual requirement to increase the security, the Corporation has proposed to post a $1.5 million encumbrance on the Bluefish hydroelectric facility. The proposal is currently under review by the relevant agencies. As a condition of the acquisition of the Giant mine assets, Miramar Giant Mine Ltd. ("MGML") has issued promissory notes totalling $4.8 million as security against the reclamation costs of Giant mine. These promissory notes are secured solely by the assets of the Giant mine and is only due from MGML upon default of the Giant mine water licence. For the Nevada properties, the majority of the planned reclamation activities were completed in 2001 and acceptance by State regulatory agencies and the federal Bureau of Land Management has resulted in the release of a portion of the bonds held for the Golden Eagle and Talapoosa properties.

Other Commitments

In the second quarter of 2001, the Corporation filed a Notice of Objection to a re-assessment issued by Canada Customs and Revenue Agency (the "Agency") in December 2000. The basis of the re-assessment issued by the Agency is the valuation that formed the basis for a transaction with an investor that resulted in the sale of an interest in the assets comprising the Con Mine in 1995. The transaction was based upon an independent valuation prepared for the Corporation. This re-assessment does not give rise to any taxes payable by the Corporation. As part of the transaction in 1995, the Corporation agreed to compensate the investor for any shortfall in the value of the assets transferred to a maximum of $2.7 million plus interest of approximately $1.3 million if a ruling is made against the Corporation reducing the value of the assets transferred to the investor. Management intends to strenuously defend the independent valuation; however, the outcome of this issue is not determinable.

Outlook

The Corporation's planned merger with the Hope Bay Gold Corporation is expected to create a larger, more liquid gold mining and exploration Corporation which should have improved access to capital to continue to develop the potential of one of the most prospective undeveloped greenstone belts in Canada. The combined Corporation will realize significant reductions in administrative costs through the transaction.

In 2002, the Corporation plans to complete feasibility on Hope Bay, Doris North scenario. The proposed development of an initial operation at the Doris North deposit marks an important milestone in the advancement of the Hope Bay project. The development of Doris North offers the potential for high grade, high return, and low risk gold production on an accelerated basis. Further, the development of a relatively small scale operation at Hope Bay could allow expedited production at a capital cost within reach of the Corporation's financial resources and could generate significant cash flow at current gold prices to continue the exploration and development of the Hope Bay belt. Further, at Hope Bay in 2002, additional exploration programs will be conducted on several promising targets.

Yellowknife operations in 2002 are expected to produce approximately 130,000 ounces at cash cost per ounce below US $240. The improved performance is related to the continuation of Giant operations under the revised agreement with DIAND, which provides for reimbursement of certain holding and administrative costs totalling approximately $3.6 million annually.

C. Research and development, patents and licenses, etc

The Corporation is a mineral exploration company and does not engage in research and development activities.

D. Trend Information

The Corporation is a mineral production and exploration enterprise.

Except as otherwise provided below, the Corporation is not aware of any trends, uncertainties, demands, commitments or events which are reasonably likely to have a material effect upon the Corporation's net sales or revenues, income from continuing operations, profitability, liquidity or capital resources, or that would cause reported financial information not necessarily to be indicative of future operating results or financial condition.

In April 2002, the Corporation entered into an agreement to merge with Hope Bay Gold, which is expected to be completed by court-approved amalgamation between a subsidiary of the Corporation and Hope Bay in May 2002. The merger, if completed, is anticipated to initially result in transaction costs and higher operating costs for 2002, which may not be off-set by revenues from operations and may have an adverse affect on the Corporation's results of operations and financial condition. See "Description of the Corporation – Proposed Hope Bay Amalgamation," Item 4.A. To the extent that such additional operating costs are not subsequently followed by increased revenue, the Corporation's business, financial condition, operating results and cash flows could be materially adversely affected. There can be no assurance that the Corporation will realize revenue growth or achieve profitability

On March 16, 2002, the roof of the building containing the plant which produces oxygen to operate the autoclave at the Con Mine collapsed, temporarily suspending the autoclave operations for the Con Mine and Giant Mine. The suspension does not affect the production of gold from the free-milling process. The impact on the Corporation's operations is currently being assessed and is not expected to have a long-term material impact on the Corporation's results of operations or financial condition. The cost to repair the plant is estimated to be approximately $1.0-$1.5 million. The Corporation anticipates that the autoclave operations will be operational in June 2002. There can be no assurance that the Corporation will not experience delays in repairing the oxygen plant or that the actual costs related to the repair of the plant will be as estimated.

On April 20, 2002, the collective bargaining agreement with the United Steelworkers of America (the "Union") representing the employees of the Con Mine expired. Negotiations of a new collective bargaining agreement have commenced. The Corporation believes that a new collective bargaining agreement with the Con Mine workers will be successfully negotiated. The Con Mine suspended operations from May 1998 to April 1999 as a result of a strike by the Union, which had a material affect on the Corporation's results of operations and financial conditions. There can be no assurance that there will not be a work stoppage or that a new collective bargaining agreement will be negotiated on acceptable terms, if at all.

The Corporation received a renewal water license for the Con Mine under the Northwest Territories Waters Act on August 8, 2000, which requires that Con Mine maintain a security deposit in a form acceptable to the issuer. The initial $1.5 million security deposit is subject to an increase of $1.5 on each subsequent anniversary of the license until $9 million is available. In June 2001, the Corporation proposed to post a $1.5 million encumbrance on the Bluefish hydroelectric facility as security, and the Corporation is currently negotiating with the issuer with respect to this proposal. The Corporation may be required to post an alternative security deposit if the negotiations are not successful.

As a condition of the acquisition of the Giant Mine assets, the Corporation's wholly-owned subsidiary (Miramar Giant Mine) established a cash collateral security of $200,000 and issued a promissory notes in the aggregate amount of $4.8 million as security under the existing water license, secured by the Giant Mine assets. On or before June 30, 2002, Miramar Giant Mine is required to pledge additional security to a Canadian governmental agency under the water license by issuing a promissory note for an additional $2 million.

In May, 2001 and March, 2002, The Corporation completed the sale of by way of private placement to Canadian investors 2,666,667 flow through common shares at C$1.50 per share for gross proceeds of $4 million. In addition, Hope Bay Gold has completed certain financing by issuing flow-through shares in 2000 and 2001, and Hope Bay Gold must incur certain eligible Canadian exploration expenses. Under the Income Tax Act (Canada), mineral exploration companies are permitted to issue flow-through shares pursuant to a written agreement under which the issuer agrees to incur certain eligible Canadian exploration expenses within the time frame specified in the agreement (generally, 12 to 24 months) and to flow-through or "renounce" the related tax deduction to the investor. The proceeds from the issuance of flow-through shares must be expended on "qualifying expenditures," which are related to mineral exploration in Canada. In the event that the Company is unable to make the renunciation or fails to expend the funds on qualifying expenditures, the investor may be subject to reassessment for any related tax deduction taken by the investor and the Company could be liable to the investor for damages in an action for breach of contract. However, there is no right of rescission of the subscription contract that would result in a reversal of the share issuance. The investor may be entitled to damages (based on a breach of contract claim), which may include amounts related to the increased tax liability that the shareholder experienced resulting from the failure of the Company to renounce the contracted qualifying expenditures. In addition, the Company could be required to pay a penalty and interest to the Government of Canada for failure to make and renounce such qualifying expenditures, within prescribed time limits.

During the year ended December 31, 2001, the Corporation granted an option to 1341180 Ontario Limited, an arm's length third party, to acquire on or before June 30, 2002: (i) approximately 60 million Northern Orion shares held by the Corporation (all shares held except for 10 million shares which the Corporation will retain) at a price of $0.08 per share, exercisable in blocks of 5 million shares or more (the "Share Option") (ii) the first Northern Orion Note for $10, provided that the Corporation has received at least $3 million from the sale of Northern Orion shares through the exercise of the Share Option; and (iii) the second Northern Orion Note for $10, provided that at least approximately 48 million Northern Orion shares have been sold through the exercise of the Share Option. The option granted voting rights over the shares under the Share Option to the holder. As a result, the Corporation no longer controlled Northern Orion and ceased consolidation of its investment in Northern Orion Exploration Ltd. Commencing May 1, 2001, the Corporation began accounting for the same using the equity method of accounting. If the Share Option expires, unexercised, the Corporation may be required to reconsolidate Northern Orion's financial results. See, Note 3 to the Consolidated Financial Statements.

Critical Accounting Policies

For the Corporation's exploration activities, there is no production, sales, or inventory in the conventional sense. The Corporation's financial success will be dependent upon the extent to which it can discover mineralization and the economic viability of developing such properties. Such development may take years to complete and the amount of resulting income, if any, is difficult to determine with any certainty. The sales value of any mineralization discovered by the Corporation is largely dependent upon factors beyond the Corporation's control such as the market value of the metals produced.

As the carrying value and amortization of the capital assets is, in part, related to the Corporation's mineral reserves, the estimation of such reserves is significant to the Corporation's financial position and results of operations.

Item 6 DIRECTORS, SENIOR MANAGEMENT AND EMPLOYEES

A. Directors and Senior Management.

The following table sets forth the names and municipalities of residence of the directors and officers of the Corporation, their positions held with the Corporation and their principal occupations.

Name and Municipality of Residence	Positions Held	Director /Officer Since	Principal Occupation
Anthony J. Petrina(2)(4) (5) Vancouver, B.C.	Chairman of the Board, Director	1995	Corporate Director
William E. Stanley(1)(2)(3) West Vancouver, B.C.	Vice Chairman, Director	1995	Mining Engineer, Self Employed Consultant
Anthony P. Walsh(2) West Vancouver, B.C.	President, Chief Executive Officer, Director	1995	President, Chief Executive Officer of the Corporation
Lyall D. Knott, Q.C.(1) (5) Vancouver, B.C.	Director	1987	Partner, Clark Wilson, law firm
Christopher J. Pollard(1) (4) Vancouver, B.C.	Director	1994	Associate Counsel, Clark Wilson, law firm
Stephen P. Quin (2) West Vancouver, B.C.	Executive Vice-President and Director	1987	Executive Vice-President of the Corporation

Name and Municipality of Residence	Positions Held	Director /Officer Since	Principal Occupation
Robert A. McCallum (3) (4) Vancouver, B.C.	Director	1999	Mining Engineer, Self Employed Consultant
Lawrence I. Bell(3) (4) (5) Vancouver, B.C.	Director	1999	Chairman & CEO, BC Hydro
Catherine McLeod-Seltzer (1) (3) West Vancouver, B.C.	Director	2001	President, Pacific Rim Mining Corp.
Brian Labadie Maple Ridge, B.C.	Senior Vice-President Operations	1996	Senior Vice-President, Operations of the Corporation
A. David Long West Vancouver, B.C.	General Counsel and Corporate Secretary	1993	Corporate Secretary and General Counsel of the Corporation

(1) Member of the Audit & Risk Management Committee.
(2) Member of the Executive Committee.
(3) Member of the Human Resources Committee.
(4) Member of the Environmental Committee
(5) Member of the Corporate Governance and Nominating Committee.

Each of the foregoing individuals has been engaged in the principal occupation set forth opposite his or her name during the past five years except for: Christopher J. Pollard who, prior to December 1998, was the President of Pollard Management Ltd. and, prior to March 1997, was a partner of the Vancouver law firm of Owen Bird; Anthony Walsh, who prior to 1999 was the Chief Financial Officer and Vice-President, Finance of the Corporation; Robert McCallum who prior to 2000 was the President and Chief Operating Officer of Philex Mining Corporation & Philex Gold Inc; Lawrence Bell, who prior to August 2001 was the Vice-Chairman, Shato Holdings Ltd, and Catherine McLeod-Seltzer, who prior to 1997 was the President and CEO of Arequipa Resources ltd, a Latin American Gold exploration company. Directors are elected at each annual meeting of shareholders and serve until the next annual meeting or until their successors are elected or appointed. All of the directors listed in the table above were elected to the Board of Directors at the May 18, 2001 Annual General Meeting.

Robert McCallum, Stephen Quin, Lawrence Bell and Lyall Knott have agreed to resign in order to provide vacancies on the board of directors for the appointment of nominees of Hope Bay Gold if the Transaction described under Item 4A “Proposed Hope Bay Gold Amalgamation” is completed.

The directors and senior officers of the Corporation beneficially own, directly or indirectly, or exercise control or direction over, approximately 0.5% of the outstanding Common Shares of the Corporation.

B. Compensation

Compensation to Directors

The compensation paid to the directors of the Corporation is detailed in the Management Information Circular of the Corporation prepared for the 2001 annual general meeting which is an exhibit to this report and incorporated herein by reference.

Compensation to Executive Officers

The compensation paid to the executive officers and the details of management contracts and incentive options granted to the five highest paid employees of the Corporation as at December 31, 2001 is are detailed in the Management Information Circular of the Corporation under the section entitled "Executive Remuneration" prepared for the 2002 annual general meeting, which is an exhibit to this report and incorporated herein by reference.

C. Board Practices

The directors of the Corporation are elected annually and hold office until the next annual general meeting of the members of the Corporation or until their successors in office are duly elected or appointed. All directors are elected for a one-year term. All officers serve at the pleasure of the board of directors. The Corporation held its 2001 Annual General Meeting on May 18, 2001. The next Annual General Meeting of the Shareholders of the Corporation has been scheduled for June 28, 2002.

Committees

There are five standing Board committees:

1. The Executive Committee is made up of the two management directors; Tony Walsh and Stephen Quin and two outside, unrelated directors: Anthony Petrina (Chair) and William Stanley. The Executive Committee along with the management of the Corporation was formed to deal with issues which were either not significant enough to require full Board consideration or required action in a time period which could not allow full Board consideration. The Executive Committee was relatively inactive in 2001.

2. The Audit and Risk Management Committee consists of four outside and unrelated directors: Lyall Knott (Chair), Christopher Pollard, William Stanley and Catherine McLeod-Seltzer. The Audit and Risk Management Committee, along with management and the external auditors, is responsible for the financial reporting of the Corporation. The Audit and Risk Management Committee implements and reviews internal systems thereby assisting the Board in identifying and monitoring the risks to the business of the Corporation. Further, the Audit and Risk Management Committee is charged with the initial responsibility of determining that the financial and budget goals of the Corporation are met by management and, where these goals have not been met by management, reporting back to the Board on the progress and the level of achievement of management versus the pre-determined budget levels.

3. The Environmental Committee consists of four outside and unrelated directors: Lawrence Bell, Robert McCallum, Christopher Pollard and Anthony Petrina (Chair). The Environmental Committee reviews compliance by the Corporation with all applicable regulatory requirements and risks, which could be encountered in the future related to environmental matters.

4. The Human Resources Committee consists of four outside and unrelated directors: Lawrence Bell, Robert McCallum, Catherine McLeod-Seltzer and William Stanley (Chair). This committee establishes annual goals for members of senior management, reviews individual performance against such goals and establishes annual salary and bonus remuneration for senior management in consultation with the CEO.

5. The Corporate Governance and Nominating Committee consists of three outside and unrelated directors: Anthony Petrina, Lyall Knott and Lawrence Bell and one management director; Anthony Walsh. This committee establishes policies and guidelines for the responsibilities of the

Board of Directors and is also responsible for considering nominations and additions to the Board on an annual basis.

During 2001, the Corporation paid a cash honorarium to each of the outside and unrelated directors for services rendered as directors of the Corporation in the amount of $18,000 per annum, and $2,500 for each regular committee of which the director is a member. For each committee of which the director is a chairman, the director is compensated a further $2000 per annum. The Board, from time to time, forms additional committees to address specific issues. For example, in 2001 the Board formed a committee of outside and unrelated directors to review the Hope Bay Gold Transaction. Typically, directors are paid $1,000 per meeting for meetings of Committees other than regular committees. The Corporation also pays fees for any additional services rendered by Directors from time to time at the regular rates for such services; however, there are no standing services contracts with any director.

D. Employees

The Corporation, including its subsidiaries, had approximately 85 (19 at the head office, 53 at the Con Mine and, 13 at the Giant Mine) full time employees and approximately 236 (194 at the Con Mine and 42 at the Giant Mine) hourly employees as of December 31, 2001. Hourly employees are represented by labour unions. See "Description of the Con Mine – Employees" and "Giant Gold Mine – Employees," Item 4.D.

E. Share Ownership

The following table sets forth, as of May 9, 2002, the number of the Corporation's Common Shares beneficially owned by (a) the directors and members of senior management of the Corporation, individually, and as a group and (b) the percentage ownership of the outstanding Common Shares represented by such shares. The security holders listed below are deemed to be the beneficial owners of Common Shares underlying options and warrants which are exercisable within 60 days from the above date.

Unless otherwise indicated, the shareholders listed possess sole voting and investment power with respect to the shares shown. The information appearing below concerning persons other than members of senior management and directors of the Corporation is to the Corporation's best knowledge based on information provided by each individual.

Name and Address of Beneficial Owner	Positions Held	Amount and Nature	Percentage of Class(1)
Anthony J. Petrina Vancouver, B.C.	Chairman of the Board, Director	27,231	N/A
Lyall D. Knott, Q.C. Vancouver, B.C.	Director	5,902	N/A
Christopher J. Pollard Vancouver, B.C.	Director	33,000	N/A
Stephen P. Quin West Vancouver, B.C.	Executive Vice-President and Director	35,623	N/A
William E. Stanley West Vancouver, B.C.	Vice Chairman, Director	nil	N/A

Name and Address of Beneficial Owner	Positions Held	Amount and Nature	Percentage of Class[1]
Robert A. McCallum West Vancouver, B.C.	Director	10,000	N/A
Lawrence I. Bell Vancouver, B.C.	Director	70,000	N/A
Anthony P. Walsh West Vancouver, B.C.	President, Chief Executive Officer, Director	56,692	N/A
Catherine McLeod-Seltzer West Vancouver, B.C.	Director	66,667	N/A
Brian Labadie Maple Ridge, B.C.	Senior Vice-President Operations	Nil	N/A
A. David Long West Vancouver, B.C.	General Counsel and Corporate Secretary	Nil	N/A
Directors and Executive Officers, as a group (11 persons)		305,115[1]	0.5%

(1) This indicates the individual percentage of each class of the corresponding shares in cases where the ownership percentage equals more than 1% of the total shares of that class outstanding.

A definitive agreement was executed on April 5, 2002, under which the Corporation agree to combine with Hope Bay Gold by issuing 0.263 of a common share of the Corporation for every one common share issued of Hope Bay Gold. See "Information on the Corporation – Proposed Amalgamation," Item 4.A. Based upon the number of Hope Bay Gold common Shares and common Shares and Special Warrants of the Corporation outstanding as at April 16, 2002, after giving effect to the Amalgamation, approximately 105.5 million Common Shares of the Corporation will be issued and outstanding. The approximately holdings of Common Shares of the Corporation by the present holders of Hope Bay Gold Common Shares and by the present holders of Common Shares of the Corporation as follows:

Present Holders of Common Shares of	Number of Miramar Common Shares	Approximate Percentage of Miramar Common Shares
Hope Bay Miramar	39.4 million 66.1 million	37% 63%
	105.5 million	100%

The following table discloses the share options granted to directors and officers as of March 31, 2002. The options are for Common Shares.

Name of Person(s)	Date of Grant or Issuance	# Shares Subject to Issuance	% of Shares Granted to all Employees	Exercise Price (Per Share)	Expiry Date
Anthony J. Petrina	June 1999 February 2000 January 2001 March 2002	20,000 20,000 54,500 40,000	5.3%	$1.15 $0.70 $1.00 $1.22	June 2004 February 2005 January 2006 March 2007
William Stanley	June 1999 February 2000 January 2001 March 2002	20,000 20,000 20,000 40,000	3.9%	$1.15 $0.70 $1.00 $1.22	June 2004 February 2005 January 2006 March 2007
Christopher Pollard	June 1999 February 2000 January 2001 March 2002	20,000 20,000 48,000 70,500	6.3%	$1.15 $0.70 $1.00 $1.22	June 2004 February 2005 January 2006 March 2007
Lyall Knott	June 1999 February 2000 January 2001 March 2002	20,000 20,000 90,000 40,000	7%	$1.15 $0.70 $1.00 $1.22	June 2004 February 2005 January 2006 March 2007
Lawrence Bell	June 1999 February 2000 January 2001 March 2002	20,000 20,000 83,000 103,000	8.9%	$0.90 $0.70 $1.00 $1.22	June 2004 February 2005 January 2006 March 2007
Robert McCallum	June 1999 February 2000 January 2001 March 2002	20,000 20,000 20,000 40,000	3.9%	$0.90 $0.70 $1.00 $1.22	June 2004 February 2005 January 2006 March 2007
Anthony P. Walsh	June 1999 August 1999 February 2000 January 2001 March 2002	40,000 100,000 50,000 70,000 100,000	14.3%	$1.15 $0.76 $0.70 $1.00 $1.22	June 2004 August 2004 February 2005 January 2006 March 2007
Stephen Quin	June 1999 February 2000 January 2001 March 2002	40,000 40,000 40,000 80,000	7.9%	$1.15 $0.70 $1.00 $1.22	June 2004 February 2005 January 2006 March 2007
A. David Long	June 1999 February 2000 January 2001 March 2002	40,000 40,000 40,000 80,000	7.9%	$1.15 $0.70 $1.00 $1.22	June 2004 February 2005 January 2006 March 2007
Brian Labadie	June 1999 February 2000 January 2001 March 2002	40,000 40,000 40,000 80,000	7.9%	$1.15 $0.70 $1.00 $1.22	June 2004 February 2005 January 2006 March 2007
Catherine McLeod-Seltzer	March 2001 April 2001 March 2002	20,000 8,621 40,000	3.2%	$1.18 $1.29 $1.22	March 2006 April 2006 March 2007

Under the stock option plan of the Corporation (the "Stock Option Plan"), options to purchase common shares of the Corporation may be granted to full or part-time employees and directors of the Corporation or subsidiaries of the Corporation and other persons or companies engaged to provide ongoing management or consulting services for the Corporation or any entity controlled by the Corporation. The maximum number of common shares of the Corporation subject to option under the Stock Option Plan may not exceed 10,800,000. In determining the number of common shares of the Corporation subject to each option granted under the Stock Option Plan, consideration is given to the present and potential contribution by such person or company to the success of the Corporation. The exercise price per common share may not be less than the closing price of the common shares of the Corporation on The Toronto Stock Exchange on the trading day immediately preceding the day on which the option is granted. Each option is for a term not in excess of ten years and is not exercisable unless the optionee has been continuously employed by, a director or an officer of, or engaged in providing ongoing management or consulting services for, the Corporation or a subsidiary of the Corporation continuously since the date of grant of the option, except: (i) in the case of the death of an optionee, in which case the option is exercisable for a maximum of twelve months thereafter; (ii) in the case of a change of control of the Corporation, in which case options to directors are exercisable for a maximum of twelve months thereafter; or (iii) in the case of an optionee ceasing to be a participant under the Stock Option Plan for any reason other than cause or death, in which case the option is exercisable for a maximum of 30 days thereafter. The Stock Option Plan does not provide for the granting of financial assistance, whether by way of a loan, guarantee or otherwise, by the Corporation in connection with any purchase of common shares from the Corporation.

In addition, after giving effect to the proposed amalgamation with Hope Bay, a maximum of approximately 8.5 million Common Shares of the Corporation will be issuable upon the exercise of outstanding options and warrants. See "Information on the Corporation – Proposed Hope Bay Amalgamation," Item 4.A.

Item 7 MAJOR SHAREHOLDERS AND RELATED PARTY TRANSACTIONS.

A. Major Shareholders

A major shareholder is a shareholder owning directly or indirectly more than 5% of the issued shares of the Corporation.

The Corporation is a publicly-owned corporation, the majority of the Common Shares of which are owned by persons resident outside of the United States. To the best of the Corporation's knowledge, the Corporation is not directly owned or controlled by another corporation or by any foreign government.

As at May 17, 2002, to the best of the Corporation's knowledge, approximately 27,272,395 or 42.6% of the issued and outstanding common shares were held by shareholders with addresses in the United States. To the best of the Company's knowledge, 34,746,756 of the Corporation's common shares are held by 97 shareholders of record in Canada. As the shares of most shareholders are held through intermediaries, the Corporation is unable to ascertain the number of beneficial owners of shares with addresses in the United States.

As at March 31, 2002, to the best of the Corporation's knowledge, only the following beneficially own, directly or indirectly, more than 5% of the issued shares of the Corporation. To the best knowledge of the Corporation, there are no voting arrangements with other shareholders of the Corporation.

SHAREHOLDER NAME	NUMBER OF SHARES	PERCENTAGE OF ISSUED SHARES
RT Investment Management	4,426,000	7.4%

There have been no significant changes in beneficial ownership of the major shareholders during the past three years. The major shareholders of the Corporation do not have different voting rights than other holders of the Corporation's Common Shares.

A definitive agreement was executed on April 5, 2002, under which the Corporation agree to combine with Hope Bay Gold by issuing 0.263 of a common share of the Corporation for every one common share issued of Hope Bay Gold. See "Information on the Corporation – Proposed Amalgamation," Item 4.A. Based upon the number of Hope Bay Gold common Shares and Common Shares and Special Warrants of the Corporation outstanding as at April 16, 2002, after giving effect to the Amalgamation, approximately 105.5 million Common Shares of the Corporation will be issued and outstanding. The present holders of Hope Bay Common Shares will hold approximately 39.4 million shares of the Corporation and by the present holders of Common Shares of the Corporation will hold approximately 66.1 million shares of the Corporation.

Based on information available to the Corporation at April 16, 2002, the following shareholder beneficially owned, directly or indirectly, or exercised control over 10% or more of the common shares of Hope Bay and after giving effect to the proposed amalgamation:

	Pre Amalgamation		Post Amalgamation	
Name of Beneficial Owner	**Number of Hope Bay Gold Common Shares Beneficially Owned**	**Approximate Percentage of Hope Bay Gold Common Shares**	**Number of Miramar Common Shares Beneficially Owned**	**Approximate Percentage of Miramar Common Shares**
Dundee Precious Metals[(1)]	39,085,725	26.05%	10,279,545	9.7%[(2)]

(1) The manager of Dundee Precious Metals is a subsidiary of Dundee Wealth Management Inc. Other subsidiaries of Dundee Wealth Management Inc. own or exercise control over an additional 13,278,306 shares of Hope Bay representing an approximate 8.85% interest in Hope Bay.

(2) Assumes approximately 105.5 million shares of the Corporation are issued and outstanding after giving effect to the proposed amalgamation with Hope Bay.

B. Related Party Transactions

Except as otherwise disclosed herein, no director, senior officer, principal shareholder, or any associate or affiliate thereof, had any material interest, direct or indirect, in any transaction since the beginning of the last financial year of the Corporation that has materially affected the Corporation, or any proposed transaction that would materially affect the Corporation, except for an interest arising from the ownership of shares of the Corporation where the member will receive no extra or special benefit or advantage not shared on a pro rata basis by all holders of shares in the capital of the Corporation.

C. Interests of Experts and Counsel

Not applicable.

Item 8 **FINANCIAL INFORMATION.**

A. Consolidated Statements and Other Financial Information

Auditors' Report as at February 22, 2002, except as to note 16(d) which is of March 18, 2002.

Consolidated Balance Sheets as at December 31, 2001 and 2000.

Consolidated Statements of Operations and Deficit for the years ended December 31, 2001, 2000 and 1999.

Consolidated Statements of Cash Flows for the years ended December 31, 2001, 2000 and 1999.

Notes to Consolidated Financial Statements for the years ended December 31, 2001, 2000 and 1999.

Legal Proceedings

There are no actual or pending legal proceedings to which the Corporation or any of its properties is a party which could have a material affect on the Corporation or its operations.

From 1989 to 1995, Miramar Gold Corporation ("Miramar Gold"), a wholly-owned subsidiary of the Corporation, funded its share and American Eagle Resources Inc.'s ("AERI") share of operations at the Golden Eagle Mine in Nevada and from 1995 on, its share and AERI's share of reclamation costs. The interest of AERI in the the joint venture was not diluted and the amounts expended by Miramar Gold on behalf of AERI were recorded as advances to AERI. In 1999, Miramar Gold demanded payment of the amounts loaned to AERI and commenced litigation in British Columbia against AERI claiming damages of $3.8 million. The Corporation also commenced an action against its former President who brought third party proceedings against certain directors of the Corporation. In February, 2001 the Corporation settled the litigation under terms whereby the Corporation received cash and other consideration comprising all of the net assets of the Golden Eagle Mine of approximately $1 million. Decisions respecting the litigation were made under the direction of a committee of independent directors.

Dividend Policy

The Corporation has not paid dividends in the past and does not expect to pay dividends in the near future.

B. Significant Changes

There have been no significant changes in the financial affairs of the Corporation since the date of the December 31, 2001 financial statements attached hereto other than as follows:

1. In March, 2002 the Corporation issued special warrants as described under Item 5 B. Liquidity and Capital Resources.

2. Proposed Hope Bay Gold Amalgamation. See "Information of the Corporation – Proposed Hope Bay Amalgamation," Item 4.A.

Item 9 **THE OFFER AND LISTING**

During 2001, the Common Shares of the Corporation were listed for trading on The Toronto Stock Exchange ("TSE") and were quoted for trading on the National Association of Securities Dealers over-the-counter bulletin board ("OTCBB"). The Common Shares were listed on The NASDAQ Stock Market until May, 1999 when they were delisted. The Corporation's common shares are quoted on the TSE under the symbol "MAE" and the OTCBB under the symbol "MAENF." The following tables set forth the reported high and low closing bid prices of the Corporation's Common Shares on the designated exchanges for (a) the five most recent fiscal years; (b) each quarterly period for the past two fiscal years and (c) for the last six months ending Mar 15, 2002.

Five Most Recent Fiscal Years

	TSE (Cdn$)		**NASD OTCBB** (US$)		**Nasdaq National Market** (US$)		**VSE** (Cdn$)	
	High	Low	High	Low	High	Low	High	Low
2001	1.75	.73	1.08	.38	N/A	N/A	N/A	N/A
2000	1.44	.60	.96	.43	N/A	N/A	N/A	N/A
1999	1.30	.65	.87	.43	N/A	N/A	N/A	N/A
1998	3.00	.98	N/A	N/A	2.13	.66	1.70	1.32
1997	6.75	2.08	N/A	N/A	4.95	1.50	6.40	5.50

Quarterly Periods

	TSE (Cdn$)		**NASD OTCBB** (US$)	
	High	Low	High	Low
2001				
Fourth Quarter	1.10	.73	.89	.58
Third Quarter	1.30	.89	.67	.47
Second Quarter	1.75	1.10	1.05	.72
First Quarter	1.42	.88	.89	.58
2000				
Fourth Quarter	1.35	.85	.93	.53
Third Quarter	1.44	1.00	.96	.65
Second Quarter	1.11	.60	.68	.43
First Quarter	.94	.65	.64	.44

Six Most Recent Months

	TSE (Cdn$)		**NASD OTCBB** (US$)	
	High	Low	High	Low
April 2002	1.56	1.30	.85	.81
March 2002	1.52	1.21	.90	.77
February 2002	1.63	1.11	1.00	.75

	TSE (Cdn$)		NASD OTCBB (US$)	
January 2002	1.30	.78	.78	.48
December 2001	.88	.75	.53	.47
November 2001	1.00	.73	.57	.49

The closing price of the Common Shares on May 16, 2002 was $1.48 on The Toronto Stock Exchange and US$0.95 on the NASD OTCBB.

Item 10 ADDITIONAL INFORMATION

Share Capital

Not applicable.

Memorandum and Articles of Association

Incorporation

The Corporation was incorporated by registration of its Memorandum and Articles in the Province of British Columbia, Canada, under Certificate of Incorporation number 258867 on January 11, 1983.

Objects and Purposes of the Corporation

The Memorandum of the Corporation places no restrictions upon the Corporation's objects and purposes.

Directors' Powers

Section 15.1 of the Articles of the Corporation (the "Articles") provides that a director who is directly or indirectly interested in a proposed contract or transaction with the Corporation, or who holds any office or possesses any property whereby, directly or indirectly, a duty or interest might be created to conflict with his duty or interest as a director shall declare the nature and extent of his interest in such contract or transaction or of the conflict or potential conflict of his duty and interest as a director, as the case may be, in accordance with the provisions of the British Columbia *Company Act*.

Furthermore, section 15.2 of the Articles provides that a director shall not vote in respect of any contract or transaction with the Corporation in which the director is materially interested, and if the director does vote that vote shall not be counted, but the director shall be counted in the quorum present at the meeting at which such vote is taken. The prohibition does not apply to:

(a) ~~a~~ any contract or transaction relating to a loan to the Corporation, which a director or a specified corporation or a specified firm in which the director has an interest has guaranteed or joined in guaranteeing the repayment of the loan or any part of the loan;

(b) any contract or transaction made or to be made with, or for the benefit of an affiliated corporation of which a director is a director or officer;

(c) determining the remuneration of the directors;

(d) purchasing and maintaining insurance to cover directors against liability incurred by them as directors under section 128(4) of the *Company Act*; or

(e) the indemnification of any director by the Corporation under section 128 of the *Company Act*.

These exceptions may from time to time be suspended or amended to any extent approved by the Corporation in general meeting and permitted by the *Company Act*, either generally or in respect of any particular contract or transaction or for any particular period.

Section 16.6 of the Articles provides that the quorum necessary for the transaction of business at a meeting of directors may be fixed by the directors and if not so fixed shall be two directors or, if the number of directors is fixed at one, shall be one director.

Section 12.2 of the Articles provides that the remuneration of the directors may be determined from time to time by the directors or, if the directors shall so decide, by the members. There are no restrictions in the Articles upon the directors' power, in the absence of an independent quorum, to vote compensation to themselves or any members of their body.

Section 14.1 of the Articles gives directors a broad discretion to manage or supervise the management of, the affairs and business of the Corporation, and to exercise all such powers of the Corporation as are not required by the *Company Act* or by the Memorandum or the Articles to be exercised by the Corporation in a general meeting. Section 8.1 of the Articles specifically provides that the directors may from time to time on behalf of the Corporation, borrow money in such manner and amount, on such security, from such sources and upon such terms and conditions as they think fit, and may authorize the guaranteeing of any obligations of any other person. Furthermore, the directors may issue bonds, debentures and other debt obligations either outright or as security for any liability or obligation of the Corporation or any other person. Finally, the directors may mortgage, charge, whether by way of specific or floating charge, or give other security on the undertaking, or on the whole or any part of the present and future property and assets of the Corporation.

The powers of the directors set forth in the Articles can be varied by altering the Articles of the Corporation. Section 219 of the *Company Act* provides that a company may, if the Articles as altered would comply with the *Company Act*, alter its Articles by filing with the registrar of companies a certified copy of a special resolution altering the Articles. A special resolution is a resolution passed by a majority of not less than three quarters of the votes cast by those members of a company who, being entitled to do so, vote in person or by proxy at a general meeting of the company. Alternatively, a special resolution may be consented to in writing by every member of a company who would have been entitled to vote in person or by proxy at a general meeting of the company.

Qualifications of Directors

There is no provision in the Articles imposing a requirement for retirement or non-retirement of directors under an age limit requirement.

Section 12.3 of the Articles provides that a director shall not be required to hold a share in the capital of the Corporation as qualification for his office but shall be qualified as required by the *Company Act*, to become or act as a director. Section 114 of the *Company Act* provides that no person is qualified to act as a director if that person is:

(a) under the age of 18 years;

(b) found to be incapable of managing the person's own affairs by reason of mental infirmity;

(c) a corporation;

(d) an undischarged bankrupt;

(e) unless the court orders otherwise, convicted in or out of British Columbia of an offence in connection with the promotion, formation or management of a corporation, or involving fraud, unless 5 years have elapsed since the expiration of the period fixed for suspension of the passing of sentence without sentencing or since a fine was imposed, or the term of imprisonment and probation imposed, if any, was concluded, whichever is the latest, but the disability imposed by this paragraph ceases on a pardon being granted under the *Criminal Records Act* (Canada); or

(f) in the case of a reporting company, a person whose registration in any capacity has been cancelled under

(i) the *Securities Act* by either the British Columbia Securities Commission or the executive director, or

(ii) the *Mortgage Brokers Act* by either the Commercial Appeals Commission or the registrar,

unless the commission, the executive director or the registrar, whichever is applicable, otherwise orders, or unless 5 years have elapsed since the cancellation of the registration.

Section 114(3) of the *Company Act*, provides that every person who acts as a director of a company and is a person who, because of section 114(1) of the *Company Act*, is not qualified to act as a director of a company commits an offence.

Section 108 of the *Company Act* provides that every company must have at least one director, and a reporting company must have at least three directors. Section 109(1) states that the majority of the directors of every company must be persons ordinarily resident in Canada, and section 109(2) specifies that one director of every company must be ordinarily resident in British Columbia.

Part 13 of the Articles provides for the election and removal of directors. Section 13.8 specifically provides that the office of director shall be vacated if the director: (i) resigns his office by notice in writing delivered to the registered office of the Corporation; (ii) is convicted of an indictable offence and the other directors shall have resolved to remove him; or (iii) ceases to be qualified to act as a director pursuant to the *Company Act*. Section 13.9 of the Articles provides that the Corporation may by special resolution remove any director before the expiration of his period of office, and may by an ordinary resolution appoint another person in his stead.

Share Rights

The Corporation's authorized capital consists of 500,000,000 common shares without par value, all of which are of the same class and, once issued as fully paid and non-assessable, rank equally as to dividends, voting powers, and participation in assets and in all other respects, on liquidation, dissolution or winding-up of the Corporation, whether voluntary or involuntary, or any other distribution of the assets of the Corporation among its shareholders for the purpose of winding up its affairs after the Corporation has paid out its liabilities. The Corporation's issued shares are not subject to call or assessment rights or any pre-emptive or conversion rights. The holders of the Corporation's shares are entitled to one vote for each share on all matters to be voted on at a meeting of the members. There are no provisions for redemption, purchase for cancellation, surrender or purchase funds.

Subject to the provisions of the *Company Act*, Part 6 of the Articles governs the alteration of the Corporation's share capital, including the alteration of rights and restrictions attached to issued and unissued shares. Section 6.3 of the Articles permits the Corporation to alter its Memorandum or Articles by special resolution in order to create, define, attach, vary or abrogate special rights and restrictions to its share capital, but the Corporation cannot prejudice or interfere with the rights or special rights of issued shares unless it obtains from the holders of the affected class or series of shares, as the case may be, consent by a separate resolution of requiring a majority of 75% of the votes cast in accordance with section 226 of the *Company Act*.

Meetings

By section 139 of the *Company Act* and section 9.1 of the Articles, the Corporation is required to hold an annual general meeting of its members at least once in every calendar year and not more than 13 months after the date that the last annual general meeting was held, whichever is later. Section 9.4 of the Articles provides that the directors of the Corporation may convene an extraordinary general meeting whenever they think fit.

In accordance with section 143 of the *Company Act*, the Corporation must give to its members entitled to receive notice of a general meeting not less than 21 days' notice of any general meeting, but those members may waive or reduce the period of notice for a particular meeting by unanimous consent in writing. Every member entitled to vote at a general meeting with notice of the general meeting and a form of proxy for use at such meeting, as well as with an information circular containing prescribed information regarding the matters to be dealt with and the conduct of the general meeting. The directors of the Corporation must place before each annual general meeting of its members comparative financial statements, made up to a date not more than 6 months before the annual general meeting, the report of the auditor on such financial statements, and the report of the directors to the members. Section 10.3 of the Articles states that a quorum for a meeting of members of the Corporation shall be two persons present and being, or representing by proxy, members holding not less than 5% of the issued shares entitled to be voted at such meeting.

Section 147 of the *Company Act* provides that one or more members of the Corporation holding not less than 5% of the issued voting shares can requisition a general meeting, and if such a requisition is delivered to the Corporation as required, the meeting shall be convened by the directors or, if not convened by the directors, may be convened by the requisitionists as provided by the *Company Act*.

Where the Articles do not make any provision for a meeting of the holders of a class of shares, section 148 of the *Company Act* states that the provisions of the Articles relating to the call and conduct of general meetings apply to such a class meeting, and despite the Articles, a quorum for a class meeting of the Corporation shall be at least one person holding or representing by proxy 1/3 of the class of shares affected.

Limitations on Ownership of Securities

There are no limitations on the right to own securities of the Corporation imposed either by foreign law or by the Memorandum or the Articles.

Change in Control of the Corporation

There is no provision in the Corporation's Memorandum or Articles that would have the effect of delaying, deferring, or preventing a change in control of the Corporation, and that would operate only with respect to a merger, acquisition or corporate restructuring of the Corporation or its subsidiaries, if any.

Ownership Threshold

There are no provisions in the Corporation's Articles governing the ownership threshold above which shareholder ownership must be disclosed.

B. Material Contracts

Set forth is a list of each material contract, other than the contracts entered into in the ordinary course of the Corporation's business, to which the Corporation or its affiliates are parties entered into during the past two years. Each such contract is further described in the section cross referenced below.

DESCRIPTION OF CONTRACT	SECTION IN WHICH CONTRACT IS DESCRIBED
Giant Mine Acquisition Agreement Amendment between Miramar Giant Mine Ltd. and DIAND dated December 15, 2001	Property, plants and equipment – Item 4D.
Hope Bay Joint Venture Agreement between Miramar Hope Bay Ltd. And Cambiex Exploration Inc. dated April 7, 2000.	Property, plants and equipment – Item 4 D.
Elu property sale agreement to Sherwood Petroleum Ltd. Dated April 19, 2001.	Property, plants and equipment – Item 4 D.
Option agreement in favour of 1341180 Ontario Limited dated February 23, 2001.	Property, plants and equipment – Item 4 D
Voting trust agreement in favour of Robert Cross dated February 23, 2001	Property, plants and equipment – Item 4 D
Option letter of intent with Sherwood Mining Corporation dated March 12, 2002	Property, plants and equipment – Item 4 D
Agency Agreement with Canaccord Capital Corporation dated March 11, 2002	Liquidity and Capital Resources – Item 5 B.
Business combination agreement with Hope Bay Gold Corporation Inc. dated April 4, 2002	Property, plants and equipment – Item 4 D

C. Exchange Controls

Exchange Controls and Investment Canada Act

Canada has no system of exchange controls. There are no exchange restrictions on borrowing from foreign countries nor on the remittance of dividends, interest, royalties and similar payments, management fees, loan repayments, settlement of trade debts, or the repatriation of capital. However, any dividends remitted to U.S. Holders, as defined below, will be subject to withholding tax. See "Item 10E - Taxation".

There are no limitations under the laws of the Province of British Columbia or in the memorandum and articles of the Corporation on the rights of non-Canadians to hold or vote the shares of the Corporation. Under the provisions of the Investment Canada Act (the "ICA"), as amended by the Canada-United States Free Trade Implementation Act (Canada), and the Canada-United States Free Trade Agreement, review and approval of the transaction by the Investment Canada Agency ("Investment Canada"), the federal agency created by the ICA are required where a U.S. person directly acquires control of a Canadian business with assets of more than $184 million. The term "control" is defined as any one or more non-Canadian persons acquiring all or substantially all of the assets used in the Canadian business, or the acquisition of the voting shares of a Canadian corporation carrying on the Canadian business or the acquisition of the voting interest of an entity controlling or carrying on the Canadian business. The acquisition of the majority of the outstanding shares is deemed to be an "acquisition of control" of a corporation unless it can be established that the purchaser will not, in fact, control the Canadian corporation.

Subject to the comments contained in the following paragraph regarding WTO investors, investments requiring notification and review are all direct acquisitions of Canadian businesses with assets of $5,000,000 or more; all indirect acquisitions of Canadian businesses with assets between $5,000,000 and $50,000,000 which represent more than 50% of the value of the total international transaction. (Indirect acquisition means the acquisition of the voting rights of an entity controlling the Canadian corporation.) In addition, specific acquisitions or new businesses in designated types of business activities related to Canada's cultural heritage or national identity, which would normally only be notifiable, could be reviewed if the Government of Canada considers it in the public interest to do so.

The ICA was amended with the implementation of the agreement establishing the World Trade Organization ("WTO") to provide for special review thresholds for "WTO investors", as defined in the Act. "WTO investor" generally means (i) an individual, other than a Canadian, who is a national of a WTO member (such as, for example, the United States), or who has the right of permanent residence in relation to that WTO member, (ii) governments of WTO members, and (iii) entities that are not Canadian controlled, but which are WTO investor controlled, as determined by rules specified in the Act. The special review thresholds for WTO investors do not apply, and the general rules described above do apply, to the acquisition of control of certain types of businesses specified in the Act, including a business that is a "cultural business". If the WTO Investor rules apply, an investment in the shares of the Corporation by or from a WTO investor will be reviewable only if it is an investment to acquire control of the Corporation and the value of the assets of the Corporation is equal to or greater than a specified amount (the "WTO Review Threshold"). The WTO Review Threshold is adjusted annually by a formula relating to increases in the nominal gross domestic product of Canada. The 2002 WTO Review Threshold is $218,000,000.

If any non-Canadian, whether or not a WTO Investor, acquires control of the Corporation by the acquisition of shares, but the transaction is not reviewable as described above, the non-Canadian is required to notify the Canadian government and to provide certain basic information relating to the investment. A non-Canadian, whether or not a WTO investor, is also required to provide a notice to the government on the establishment of a new Canadian business. If the business of the Corporation is then a prescribed type of business activity relating to Canada's cultural heritage or national identity, and if the Canadian government considers it to be in the public interest to do so, then the Canadian government may give a notice in writing within 21 days requiring the investment be reviewed.

For non-Canadians (other than WTO investors), an indirect acquisition of control, by the acquisition of voting interests of an entity that directly or indirectly controls the Issuer, is reviewable if the value of the assets of the Corporation is then $50,000,000 or more. If the WTO investor rules apply, then this requirement does not apply to a WTO investor, or to a person acquiring the entity from a WTO investor. Special rules specified in the ICA apply if the value of the assets of the Corporation is more than 50% of the value of the entity so acquired. By these special rules, if the non-Canadian (whether or not a WTO investor) is acquiring control of an entity that directly or indirectly controls the Issuer, and the value of the assets of the Corporation and all other entities carrying on business in Canada, calculated in the manner provided in the ICA and the regulations under the Act, is more than 50% of the value, calculated in the manner provided in the ICA and the regulations under the Act, of the assets of all entities, the control of which is acquired, directly or indirectly, in the transactionof which the acquisition of control of the Corporation forms a part, then the thresholds for a direct acquisition of control as discussed above will apply. That is, a WTO Review threshold of $218,000,000 (in 2002) for a WTO investor or a threshold of $5,000,000 (in 1999) for a non-Canadian other than a WTO investor. If the value exceeds that level, then the transaction must be reviewed in the same manner as a direct acquisition of control by the purchase of shares of the Issuer. If an investment is reviewable, an application for review in the form prescribed by regulations is normally required to be filed with the agency established by the ICA (the "Agency") prior to the investment taking place and the investment may not be consummated until the review has been completed. There are, however, certain exceptions. Applications concerning indirect acquisition may be filed up to 30 days after the investment is consummated and applications concerning reviewable investments in culture-sensitive sectors are required upon receipt of a notice for review. There is, moreover, provision for the Minister (a person designated as such under the Act) to permit an investment to be consummated prior to completion of review, if he is satisfied that delay would cause undue hardship to the acquiror or jeopardize the operation of the Canadian business that is being acquired. The Agency will submit the application to the Minister, together with any other information or written undertakings given by the acquiror and any representation submitted to the Agency by a province that is likely to be significantly affected by the investment.

The Minister will then determine whether the investment is likely to be of net benefit to Canada, taking into account the information provided and having regard for other factors where they are relevant. Some of the factors to be considered are the effect of the investment on the level and nature of economic activity in Canada, including the effect on employment, on resource processing, on the utilization of parts, components and services produced in Canada, and on exports from Canada.

Additional factors of assessment include (i) the degree and significance of participation by Canadians in the Canadian business and in any industry in Canada of which it forms a part; (ii) the effect of the investment on productivity, industrial efficiency, technological development, product innovation and product variety in Canada; (iii) the effect of the investment on competition within any industry or industries in Canada; (iv) the compatibility of the investment with national industrial, economic and cultural policies taking into consideration industrial, economic and cultural objectives enunciated by the government or legislature of any province likely to be significantly affected by the investment; and (v) the contribution of the investment to Canada's ability to compete in world markets.

To insure prompt review and decision, the ICA sets certain time limits for the Agency and the Minister. Within 45 days after a completed application has been received, the Minister must notify the acquiror that (a) he is satisfied that the investment is likely to be of net benefit to Canada, or (b) he is unable to complete his review, in which case he shall have 30 additional days to complete his review (unless the acquiror agrees to a longer period), or (c) he is not satisfied that the investment is likely to be of net benefit to Canada.

Where the Minister has advised the acquiror that he is not satisfied that the investment is likely to be of net benefit to Canada, the acquiror has the right to make representations and submit undertakings within 30 days of the date of the notice (or any further period that is agreed upon between the acquiror and the Minister). On the expiration of the 30-day period (or the agreed extension), the Minister must quickly notify the acquiror (a) that he is now satisfied that the investment is likely to be of net benefit to Canada or (b) confirming that he is not satisfied that the investment is likely tobe of net benefit to Canada. In the latter case, the acquiror may not proceed with the investment or, if the investment has already been consummated, must relinquish control of the Canadian business. The ICA authorizes the Minister to give written opinions, binding the Minister, on the application of the ICA or regulations to the persons seeking the opinions to the Agency or a designated official. The ICA also authorizes the Minister to issue guidelines and interpretations with respect to the application and administration of any provision of the ICA or the regulations.

The ICA provides for civil penalties for non-compliance with any provision except breach of confidentiality or provision of false information, for which there are criminal penalties.

D. Taxation

A brief description of certain provisions of the tax treaty between Canada and the United States is included below, together with a brief outline of certain taxes, including withholding provisions, to which United States security holders are subject under existing laws and regulations of Canada. The consequences, if any, of provincial, state and local taxes are not considered.

The following information is general and security holders should seek the advice of their own tax advisors, tax counsel or accountants with respect to the applicability or effect on their own individual circumstances of the matters referred to herein and of any provincial, state or local taxes.

Certain Canadian Federal Income Tax Consequences

The discussion under this heading summarizes the principal Canadian federal income tax consequences of acquiring, holding and disposing of shares of common stock of the Corporation for a shareholder of the Corporation who is not a resident of Canada but is a resident of the United States and who will acquire and hold shares of common stock of the Corporation as capital property for the purposes of the *Income Tax Act* (Canada) (the "Canadian Tax Act"). This summary does not apply to a shareholder who carries on business in Canada through a "permanent establishment" situated in Canada or performs independent personal services in Canada through a fixed base in Canada if the shareholder's holding in the Corporation is effectively connected with such permanent establishment or fixed base. This summary is based on the provisions of the Canadian Tax Act and the regulations thereunder and on an understanding of the administrative practices of Canada Customs & Revenue Agency, and takes into account all specific proposals to amend the Canadian Tax Act or regulations made by the Minister of Finance of Canada as of the date hereof. It has been assumed that there will be no other relevant amendment of any governing law although no assurance can be given in this respect. This discussion is general only and is not a substitute for independent advice from a shareholder's own Canadian and U.S. tax advisors.

The provisions of the Canadian Tax Act are subject to income tax treaties to which Canada is a party, including the Canada-United States Income Tax Convention (1980), as amended (the "Convention").

Dividends on Common Shares and Other Income

Under the Canadian Tax Act, a non-resident of Canada is generally subject to Canadian withholding tax at the rate of 25 percent on dividends paid or deemed to have been paid to him or her by a corporation resident in Canada. The Corporation is responsible for withholding of tax at the source. The Convention limits the rate to 15 percent if the shareholder is a resident of the United States and the dividends are beneficially owned by and paid to such shareholder, and to 5 percent if the shareholder is also a corporation that beneficially owns at least 10 percent of the voting stock of the payor corporation.

The amount of a stock dividend (for tax purposes) would generally be equal to the amount by which the paid up or stated capital of the Corporation had increased by reason of the payment of such dividend. The Corporation will furnish additional tax information to shareholders in the event of such a dividend. Interest paid or deemed to be paid on the Corporation's debt securities held by non-Canadian residents may also be subject to Canadian withholding tax, depending upon the terms and provisions of such securities and any applicable tax treaty.

The Convention generally exempts from Canadian income tax dividends paid to a religious, scientific, literary, educational or charitable organization or to an organization constituted and operated exclusively to administer a pension, retirement or employee benefit fund or plan, if the organization is a resident of the United States and is exempt from income tax under the laws of the United States.

Dispositions of Common Shares

Under the Canadian Tax Act, a taxpayer's capital gain or capital loss from a disposition of a share of common stock of the Corporation is the amount, if any, by which his or her proceeds of disposition exceed (or are exceeded by, respectively) the aggregate of his or her adjusted cost base of the share and reasonable expenses of disposition. The capital gain or loss must be computed in Canadian currency using a weighted average adjusted cost base for identical properties. The capital gains net of losses included in income are as follows. For gains net of losses realized before February 28, 2000, as to 75 %. For gains net of losses realized after February 27, 2000 and before October 18, 2000, as to 66-2/3; %. For gains net of losses realized after October 17, 2000, as to 50%. There are special transitional rules to apply capital losses against capital gains that arose in different periods. The amount by which a shareholder's capital loss exceeds the capital gain in a year may be deducted from a capital gain realized by the shareholder in the three previous years or any subsequent year, subject to certain restrictions in the case of a corporate shareholder.

Under the Canadian Tax Act, a non-resident of Canada is subject to Canadian tax on taxable capital gains, and may deduct allowable capital losses, realized on a disposition of "taxable Canadian property." Shares of common stock of the Corporation will constitute taxable Canadian property of a shareholder at a particular time if the shareholder used the shares in carrying on business in Canada, or if at any time in the five years immediately preceding the disposition 25% or more of the issued shares of any class or series in the capital stock of the Corporation belonged to one or more persons in a group comprising the shareholder and persons with whom the shareholder and persons with whom the shareholder did not deal at arm's length and in certain other circumstances.

The Convention relieves United States residents from liability for Canadian tax on capital gains derived on a disposition of shares unless:

(a) the value of the shares is derived principally from "real property" in Canada, including the right to explore for or exploit natural resources and rights to amounts computed by reference to production;

(b) the shareholder was resident in Canada for 120 months during any period of 20 consecutive years preceding, and at any time during the 10 years immediately preceding, the disposition and the shares were owned by him when he or she ceased to be resident in Canada; or

(c) the shares formed part of the business property of a "permanent establishment" that the holder has or had in Canada within the 12 months preceding the disposition.

U.S. Federal Income Tax Consequences

The following is a general discussion of certain possible U.S. federal income tax consequences, under current law, generally applicable to a U.S. Holder (as hereinafter defined) of common shares of the Company. This discussion is of a general nature only and does not take into account the particular facts and circumstances, with respect to U.S. federal income tax issues, of any particular U.S.Holder. In addition, this discussion does not cover any state, local or foreign tax consequences. (See "Taxation--Canadian Federal Income Tax Consequences" above).

The following discussion is based upon the sections of the Internal Revenue Code of 1986, as amended (the "Code"), Treasury Regulations, published Internal Revenue Service ("IRS") rulings, published administrative positions of the IRS and court decisions that are currently applicable, any or all of which could be materially and adversely changed, possibly on a retroactive basis, at any time and which are subject to differing interpretations. This discussion does not consider the potential effects, both adverse and beneficial, of any proposed legislation which, if enacted, could be applied, possibly on a retroactive basis, at any time.

This discussion is for general information only and it is not intended to be, nor should it be construed to be, legal or tax advice to any U.S. Holder or prospective U.S. Holder of common shares of the Company, and no opinion or representation with respect to the U.S. federal income tax consequences to any such U.S. Holder or prospective U.S. Holder is made. Accordingly, U.S. Holders and prospective U.S. Holders of common shares of the Company should consult their own tax advisors about the U.S. federal, state, local and foreign tax consequences of purchasing, owning and disposing of common shares of the Company.

U.S. Holders

As used herein, a "U.S. Holder" means a holder of common shares of the Company who is (i) a U.S. citizen or an individual resident in the U.S., (ii) a corporation or partnership created or organized in or under the laws of the U.S. or of any political subdivision thereof, (iii) an estate whose income is taxable in the U.S. irrespective of source; or (iv) a trust subject to the primary supervision of a court within the U.S. and control of a U.S. fiduciary as described in Section 7701(a)(30) of the Code.

Persons Not Covered

This summary does not address the U.S. federal income tax consequences to persons (including persons who are U.S. Holders) subject to special provisions of U.S. federal income tax law, including (i) tax-exempt organizations, (ii) qualified retirement plans, (iii) individual retirement accounts and other tax-deferred accounts, (iv) financial institutions, (v) insurance companies, (vi) real estate investment trusts, (vii) regulated investment companies, (viii) broker-dealers, (ix) persons or entities that have a "functional currency" other than the U.S. dollar, (x) persons subject to the alternative minimum tax, (xi) persons who own their common shares of the Company as part of a straddle, hedging, conversion transaction, constructive sale or other arrangement involving more than one position, (xii) persons who acquired their common shares of the Company through the exercise of employee stock options or otherwise as compensation for services, (xiii) persons that own an interest in an entity that owns common shares of the Company, (xiv) persons who own, exercise or dispose of any options, warrants or other rights to acquire common shares of the Company, or (xv) persons who own their common shares of the Company other than as a capital asset within the meaning of Section 1221 of the Code.

Distribution on Common Shares of the Company

U.S. Holders receiving distributions (including constructive distributions) with respect to common shares of the Company are required to include in gross income for U.S. federal income tax purposes the gross amount of such distributions, equal to the U.S. dollar value of such distributions on the date of receipt (based on the exchange rate on such date), to the extent that the Company has current or accumulated earnings and profits, without reduction for any Canadian income tax withheld from such distributions. Such Canadian tax withheld may be credited, subject to certain limitations, against the U.S. Holder's U.S. federal income tax liability or, alternatively, may be deducted in computing the U.S. Holder's U.S. federal taxable income. (See more detailed discussion at "Foreign Tax Credit" below). To the extent that distributions from the Company exceed current or accumulated earnings and profits of the Company, such distributions will be treated first as a return of capital, to the extent of the U.S. Holder's adjusted basis in the common shares, and thereafter as gain from the sale or exchange of the common shares of the Company. (See more detailed discussion at "Disposition of Common Shares of the Company" below.)

In the case of foreign currency received as a distribution that is not converted by the recipient into U.S. dollars on the date of receipt, a U.S. Holder will have a tax basis in the foreign currency equal to its U.S. dollar value on the date of receipt. Generally any gain or loss recognized upon a subsequent sale or other disposition of the foreign currency, including the exchange for U.S. dollars, will be ordinary income or loss. However, an individual whose realized gain does not exceed $200 will not recognize that gain, to the extent that there are no expenses associated with the transaction that meet the requirements for deductibility as a trade or business expense (other than travel expenses in connection with a business trip) or as an expense for the production of income.

Dividends paid on the common shares of the Company generally will not be eligible for the "dividends received deduction" allowed to corporate shareholders receiving dividends from certain U.S. corporations. Under certain circumstances, a U.S. Holder that is a corporation and that owns shares representing at least 10% of the total voting power and the total value of the Company's outstanding shares may be entitled to a 70% deduction of the "U.S. source" portion of dividends received from the Company (unless the Company qualifies as a "Foreign Personal Holding Company" or a "Passive Foreign Investment Company" as defined below). The availability of the dividends received deduction is subject to several complex limitations which are beyond the scope of this discussion, and U.S. Holders of common shares of the Company should consult their own tax advisors regarding the dividends received deduction.

Certain information reporting and backup withholding rules may apply with respect to certain payments related to the Company's common shares. In particular, a payor or middleman within the U.S., or in certain cases outside the U.S., will be required to withhold 30% (which rate is scheduled for periodic adjustment) of any payments to a U.S. Holder of the Company's common shares of dividends on, or proceeds from the sale of, such common shares within the U.S., if a U.S. Holder fails to furnish its correct taxpayer identification number or otherwise fails to comply with, or establish an exemption from, the backup withholding tax requirements. Any amounts withheld under the U.S. backup withholding tax rules will be allowed as a refund or a credit against the U.S. Holder's U.S. federal income tax liability, provided the required information is furnished to the IRS. **U.S. Holders are urged to consult their own tax advisors regarding the information reporting and backup withholding rules applicable to the Company's common shares.**

Foreign Tax Credit

A U.S. Holder who pays (or has withheld from distributions) Canadian or other foreign income tax with respect to the ownership of common shares of the Company may be entitled, at the option of the U.S. Holder, to either receive a deduction or a tax credit for U.S. federal income tax purposes with respect to such foreign tax paid or withheld. Generally, it will be more advantageous to claim a credit because a credit reduces U.S. federal income taxes on a dollar-for-dollar basis, while a deduction merely reduces the taxpayer's income subject to U.S. federal income tax. This election is made on a year-by-year basis and applies to all foreign taxes paid by (or withheld from distributions to) the U.S. Holder during that year.

There are significant and complex limitations that apply to the foreign tax credit, among which is the general limitation that the credit cannot exceed the proportionate share of the U.S. Holder's U.S. income tax liability that the U.S. Holder's "foreign source" income bears to his or its worldwide taxable income. In applying this limitation, the various items of income and deduction must be classified as either "foreign source" or "U.S. source." Complex rules govern this classification process. In addition, this limitation is calculated separately with respect to specific classes of income such as "passive income," "high withholding tax interest," "financial services income," "shipping income," and certain other classifications of income. Dividends distributed by the Company will generally constitute "foreign source" income, and will be classified as "passive income" or, in the case of certain U.S. Holders, "financial services income" for these purposes.

In addition, U.S. Holders that are corporations and that own 10% or more of the voting stock of the Company may be entitled to an "indirect" foreign tax credit under Section 902 of the Code with respect to the payment of dividends by the Company under certain circumstances and subject to complex rules and limitations. **The availability of the foreign tax credit and the application of the limitations on the credit are fact specific, and U.S. Holders of common shares of the Company should consult their own tax advisors regarding their particular circumstances.**

Disposition of Common Shares of the Company

A U.S. Holder will recognize gain or loss upon the sale or other taxable disposition of common shares of the Company equal to the difference, if any, between (i) the amount of cash plus the fair market value of any property received, and (ii) the shareholder's tax basis in the common shares of the Company. This gain or loss will be capital gain or loss if the common shares are a capital asset in the hands of the U.S. Holder, which will be long-term capital gain or loss if the common shares of the Company are held for more than one year.

Preferential tax rates apply to long-term capital gains of U.S. Holders that are individuals, estates or trusts. There are currently no preferential tax rates for long-term capital gains for a U.S. Holder that is a corporation (other than a corporation subject to Subchapter S of the Code). Deductions for net capital losses are subject to significant limitations. For U.S. Holders that are not corporations, any unused portion of such net capital loss may be carried over to be used in later tax years until such net capital loss is thereby exhausted. For U.S. Holders that are corporations (other than corporations subject to Subchapter S of the Code), an unused net capital loss may be carried back three years and carried forward five years from the loss year to be offset against capital gains until such net capital loss is thereby exhausted.

Other Considerations for U.S. Holders

In the following circumstances, the above sections of this discussion may not describe the U.S. federal income tax consequences to U.S. Holders resulting from the ownership and disposition of common shares of the Company:

<u>Foreign Personal Holding Company</u>

If at any time during a taxable year (i) more than 50% of the total voting power or the total value of the Company's outstanding shares is owned, directly or indirectly, by five or fewer individuals who are citizens or residents of the U.S. and (ii) 60% (or 50% in certain cases) or more of the Company's gross income for such year is "foreign personal holding company income" as defined in Section 553 of the Code (e.g., dividends, interest, royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions), the Company may be treated as a "Foreign Personal Holding Company" ("FPHC") In that event, U.S. Holders of common shares of the Company would be required to include in gross income for such year their allocable portions of such "foreign personal holding company income" to the extent the Company does not actually distribute such income.

The Company does not believe that it currently qualifies as a FPHC. However, there can be no assurance that the Company will not be considered a FPHC for the current or any future taxable year.

<u>Foreign Investment Company</u>

If (i) 50% or more of the total voting power or the total value of the Company's outstanding shares is owned, directly or indirectly, by citizens or residents of the U.S., U.S. partnerships or corporations, or U.S. estates or trusts (as defined by the Code Section 7701(a)(30)), and (ii) the Company is found to be engaged primarily in the business of investing, reinvesting, or trading in securities, commodities, or any interest therein, the Company may be treated as a "Foreign Investment Company" ("FIC") as defined in Section 1246 of the Code, causing all or part of any gain realized by a U.S. Holder selling or exchanging common shares of the Company to be treated as ordinary income rather than capital gain.

The Company does not believe that it currently qualifies as a FIC. However, there can be no assurance that the Company will not be considered a FIC for the current or any future taxable year.

Controlled Foreign Corporation

If more than 50% of the total voting power or the total value of the Company's outstanding shares is owned, directly or indirectly, by citizens or residents of the U.S., U.S. partnerships or corporations, or U.S. estates or trusts (as defined by the Code Section 7701(a)(30)), each of which own, directly or indirectly, 10% or more of the total voting power of the Company's outstanding shares (each a "10% Shareholder"), the Company could be treated as a "Controlled Foreign Corporation" ("CFC") under Section 957 of the Code.

The classification of the Company as a CFC would effect many complex results, including that such 10% Shareholders would generally (i) be treated as having received a current distribution of the Company's "Subpart F income," and (ii) would also be subject to current U.S. federal income tax on their pro rata shares of the Company's earnings invested in "U.S. property." The foreign tax credit may reduce the U.S. federal income tax on these amounts for such 10% Shareholders (see more detailed discussion at "Foreign Tax Credit" above). In addition, under Section 1248 of the Code, gain from the sale or other taxable disposition of common shares of the Company by a U.S. Holder that is or was a 10% Shareholder at any time during the five-year period ending with the sale is treated as ordinary income to the extent of earnings and profits of the Company attributable to the common shares sold or exchanged.

If the Company is classified as both a Passive Foreign Investment Company as described below and a CFC, the Company generally will not be treated as a Passive Foreign Investment Company with respect to the 10% Shareholders. This rule generally will be effective for taxable years of the 10% Shareholders beginning after 1997 and for taxable years of the Company ending with or within such taxable years of the 10% Shareholders.

The Company does not believe that it currently qualifies as a CFC. However, there can be no assurance that the Company will not be considered a CFC for the current or any future taxable year. **Because of the complexity of the CFC rules, a more detailed review of these rules is beyond the scope of this discussion, and U.S. Holders are urged to consult with their own tax advisors with respect to how the CFC rules impact their tax situation.**

Passive Foreign Investment Company

Certain U.S. income tax legislation contains rules governing "Passive Foreign Investment Companies" ("PFIC") which can have significant tax effects on U.S. Holders of foreign corporations. Section 1297 of the Code defines a PFIC as a corporation that is not formed in the U.S. and, for any taxable year, either (i) 75% or more of its gross income is "passive income" (e.g., dividends, interest, certain rents and royalties, certain gains from the sale of stock and securities, and certain gains from commodities transactions), or (ii) the average percentage, by fair market value (or, if the corporation is not publicly traded and either is a controlled foreign corporation or makes an election, by adjusted tax basis), of its assets that produce or are held for the production of "passive income" is 50% or more. If a foreign corporation owns, directly or indirectly, at least 25% by value of the stock a second corporation, then for purposes of the PFIC tests described above, the first corporation will be treated as owning a proportionate share of the assets of, and as receiving a proportionate share of the income of, the second corporation.

U.S. Holders owning common shares of a PFIC are subject to the highest rate of tax on ordinary income in effect for the applicable taxable year and to an interest charge based on the value of deferral of tax for the period during which the common shares of the PFIC are owned with respect to certain “excess distributions” on and dispositions of PFIC stock under Section 1291 of the Code. However, if the U.S. Holder makes a timely election to treat a PFIC as a qualified electing fund ("QEF") with respect to such shareholder's interest therein, the above-described rules generally will not apply. Instead, the electing U.S. Holder would include annually in his gross income his pro rata share of the PFIC's ordinary earnings and net capital gain regardless of whether such income or gain was actually distributed. A U.S. Holder of a QEF can, however, elect to defer the payment of U.S. federal income tax on such income inclusions. In addition, subject to certain limitations, U.S. Holders owning, actually or constructively, marketable (as specifically defined) stock in a PFIC will be permitted to elect to mark that stock to market annually, rather than be subject to the tax regime of Section 1291 of Code as described above. Amounts included in or deducted from income under this alternative (and actual gains and losses realized upon disposition, subject to certain limitations) will be treated as ordinary gains or losses.

The Company believes that it was not a PFIC for its fiscal year ended December 31, 2001 and does not believe that it will be a PFIC for the fiscal year ending December 31, 2002. There can be no assurance that the Company's determination concerning its PFIC status will not be challenged by the IRS, or that it will be able to satisfy record keeping requirements that will be imposed on QEFs in the event that it qualifies as a PFIC.

Each U.S. Holder of common shares of the Company is urged to consult a tax advisor with respect to how the PFIC rules affect their tax situation.

E. Dividends and Paying Agents

Not applicable.

F. Statement by Experts

Not applicable.

G. Documents on Display

Any of the documents referred to above can be viewed at the offices of the Corporation, at 311 West First Street, North Vancouver, British Columbia V7M 1B5, during normal business hours. All of the documents referred to above are in English.

H. Subsidiary Information

Not applicable.

Item 11 QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

The following discusses the Corporation’s exposure to market risk related to changes in gold prices, US/Canada dollar exchange rates, interest rates and equity prices. This discussion contains forward-looking statements that are exposed to risks and uncertainties, many of which are out of the Corporation’s control. The Corporation’s primary market risks are related to fluctuations in the gold price and fluctuations in U.S. dollar/Canadian dollar currency exchange rates. To a lesser extent, the Corporation is subject to market risk related to interest rates as it currently holds cash balances. The Corporation has established policies to manage sensitivity to both fluctuations in gold price risks and fluctuations in foreign currency exchange rates risk. These policies include the monitoring of the Corporation’s net exposure to each risk and include the use of forward, spot deferred and options contracts to hedge fluctuations in the price of gold and forward contracts to hedge exposure to fluctuations in foreign currency exchange rates.

Gold hedging and sensitivity to gold price:

In order to manage its exposure to fluctuations in the price of gold, the Corporation may enter into fixed forward, spot deferred and options contracts within the course of its business. Forward sales agreements obligate the Corporation to sell gold at a specified price on a specified date. Spot deferred contracts are forward sales agreements that allow the Corporation to defer the delivery of gold under the contracts to a later date at the original contract price plus the prevailing premium (contango) at the time of the deferral, thereby allowing the Corporation to participate in current market price increases while providing future downside protection. Put options provide the buyer with the right, but not the obligation, to sell gold at the contracts price. Call options provide the buyer with the right, but not the obligation to purchase gold at the contract price.

The Board of Directors has approved a hedging policy and reviews the Corporation's hedging position periodically.

As at December 31, 2001, the Corporation had entered into the following gold contracts:

	OUNCES	AVERAGE PRICE PER OUNCE	ANTICIPATED DELIVERY/EXPIRY	FAIR VALUE IN C$000
Gold forward sales contracts	5,000	US$278	2002	(9)
Gold forward sales contracts	10,000	CAD$443	2002	(19)
Gold Call options sold	10,000	US$285	2002	(52)
Gold call options sold	23,000	CAD$448	2002	(541)
Gold call options sold	18,000	CAD$450	2003	(424)

As at December 31, 2001 the estimated fair value of the net gold hedge position was an unrealized loss of $1,045,000. Fair value estimates are made at the balance sheet date, based upon relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment. Changes in assumptions and market conditions could significantly affect these estimates. Factors used in determining the fair value of gold call options are the contracted sales price of gold in comparison to current spot price and the probability of movements in the price of gold over the term of the option. As at December 31, 2001, the combination of the current spot price and the probability of future price changes has had a significant effect on the fair value of gold call options sold. However, the effect of the probability of future price changes on the fair value estimate diminishes over the life of the option. The sensitivity to changes in gold price on the Corporation's earnings (net of hedge position) at December 31, 2001 was approximately US$130,000 per US$1 change in the gold price.

Foreign currency hedging and exchange rate sensitivity:

The Corporation's mineral revenues are denominated in US dollars. In order to manage its exposure to currency fluctuations, the Corporation from time to time enters into currency forward sales or options contracts. The Board of Directors has approved a hedging policy and reviews the Corporation's hedging position periodically. As at December 31, 2001 the Corporation had outstanding contracts totalling US$ 1,000,000. The sensitivity to changes in US/Canada dollar exchange rates on the Corporation's earnings and cash flow at December 31, 2001 is approximately $870,000 per US$0.01 change in the average US/Canada dollar exchange rate.

Interest Rate and Equity Price Sensitivities

The Corporation hold cash balances in Canadian currencies which earn interest income. All of the Corporation's cash balances are held in short-term money market and cash deposits with maturities of under 90 days. These deposits are exposed to interest rate risk. We believe that a possible 10% change in market interest rates would not materially impact the earnings or market value of these balances. The Corporation incurs the majority of its expenditures in Canadian dollars.

The Corporation holds an equity interest in Northern Orion, a publicly traded exploration company. To the extent that the Corporation wishes to divest of any interest in this equity investment, the financial position of the Corporation is sensitive to the underlying value of the shares of Northern Orion. The Corporation has optioned the majority of these shares at a fixed price. If the option is exercised, the Corporation's exposure to changes in the value of the shares of Northern Orion will be limited to 10,000,000 common shares. As a result, we believe that a $0.01 change in the share price of Northern Orion would impact the value of this investment by $100,000. If the option is not exercised, the Corporation will hold approximately 70 million shares of Northern Orion and a $0.01 change in the share price of Northern Orion would impact the value of this investment by approximately $700,000.

Item 12 DESCRIPTION OF SECURITIES OTHER THAN EQUITIES

Not applicable.

PART II

Item 13 DEFAULTS, DIVIDEND ARREARAGES AND DELINQUENCIES

There are none.

Item 14 MATERIAL MODIFICATIONS TO THE RIGHTS OF SECURITY HOLDERS AND USE OF PROCEEDS

Not applicable.

Item 15 RESERVED

Item 16 RESERVED

PART III

Item 17 FINANCIAL STATEMENTS

See the Financial Statements attached hereto and filed as part of this report.

The Corporation's Consolidated Financial Statements are stated in US Dollars and are prepared in accordance with Canadian GAAP, the application of which, in the case of the Corporation, conforms in all material respects for the periods presented with US GAAP, except as discussed in Note 17 to the Consolidated Financial Statements of the Corporation.

The Consolidated Financial Statements of the Corporation and notes thereto as required under Item 8 of Form 20-F are attached hereto and are found immediately following the text of this Annual Report. The audit report of KPMG LLP, Independent Chartered Accountants, is included herein immediately preceding the Consolidated Financial Statements.

Item 18 FINANCIAL STATEMENTS

Audited Financial Statements for the year ended December 31, 2001.

Consolidated Financial Statements
(Expressed in thousands of Canadian dollars)

MIRAMAR MINING CORPORATION

Years ended December 31, 2001, 2000 and 1999

KPMG LLP
Chartered Accountants
Box 10426, 777 Dunsmuir Street
Vancouver BC V7Y 1K3
Canada

Telephone (604) 691-3000
Telefax (604) 691-3031
www.kpmg.ca

AUDITORS' REPORT

To the Board of Directors
Miramar Mining Corporation

We have audited the consolidated balance sheets of Miramar Mining Corporation as at December 31, 2001 and 2000 and the consolidated statements of operations and deficit and cash flows for each of the years in the three year period ended December 31, 2001. These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on these financial statements based on our audits.

With respect to the consolidated financial statements for each of the years in the two year period ended December 31, 2001, we conducted our audits in accordance with Canadian generally accepted auditing standards and United States generally accepted auditing standards. With respect to the consolidated financial statements for the year ended December 31, 1999, we conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we plan and perform an audit to obtain reasonable assurance whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation.

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of the Company as at December 31, 2001 and 2000 and the results of its operations and its cash flows for each of the years in the three year period ended December 31, 2001 in accordance with Canadian generally accepted accounting principles.

Canadian generally accepted accounting principles vary in certain significant respects from accounting principles generally accepted in the United States. Application of accounting principles generally accepted in the United States to these consolidated financial statements would have affected results of operations for each of the years in the three years period ended December 31, 2001 and assets and shareholders' equity at December 31, 2001 and 2000 to the extent summarized in note 17 to the consolidated financial statements.

KPMG LLP (signed)

Chartered Accountants

Vancouver, Canada
February 22, 2002, except as to note 16(d)
which is as of March 18, 2002

COMMENTS BY AUDITOR FOR U.S. READERS ON CANADA-U.S. REPORTING DIFFERENCE

In the United States, reporting standards for auditors require the addition of an explanatory paragraph (following the opinion paragraph) when there is a change in accounting principles that has a material effect on the comparability of the Company's financial statements, such as the change described in Notes to the consolidated financial statements. Our report to the shareholders dated February 22, 2002, except as to note 16(d) which is as of March 18, 2002, is expressed in accordance with Canadian reporting standards which do not require a reference to such a change in accounting principles in the auditors' report when the change is properly accounted for and adequately disclosed in the financial statements.

KPMG LLP (signed)

Chartered Accountants

Vancouver, Canada
February 22, 2002, except as to note 16(d)
which is as of March 18, 2002

MIRAMAR MINING CORPORATION

Consolidated Balance Sheets
(Expressed in thousands of Canadian dollars)

December 31, 2001 and December 31, 2000

		2001		2000
Assets				
Current assets:				
Cash and cash equivalents	$	13,493	$	17,670
Accounts receivable		1,124		1,967
Inventory (note 5)		9,310		9,207
Prepaid expenses		571		1,065
		24,498		29,909
Capital assets (note 6)		54,584		117,859
Cash collateral deposits (note 7)		3,827		4,546
Northern Orion Explorations Ltd. (note 3):				
Equity investment		4,332		-
Net proceeds interest		15,000		-
		19,332		-
Other assets (note 8)		25		203
	$	102,266	$	152,517
Liabilities and Shareholders' Equity				
Current liabilities:				
Accounts payable and accrued liabilities	$	8,429	$	8,711
Provision for site reclamation and closure costs (note 2)		7,962		7,689
Deferred post-retirement benefits (note 11)		1,696		1,556
Future income tax liability (note 10)		3,448		1,680
Future income tax liability of subsidiary		-		15,990
Non-controlling interest		-		32,142
		21,535		67,768
Shareholders' equity:				
Share capital (note 9)		230,463		231,282
Special warrants (note 9)		2,700		-
Deficit		(152,432)		(146,533)
		80,731		84,749
	$	102,266	$	152,517

Commitments and contingencies (note 15)
Subsequent events (note 16)

See accompanying notes to consolidated financial statements.

Approved on behalf of the Board:

"Anthony P. Walsh" Director
Anthony P. Walsh

"Stephen P. Quin" Director
Stephen P. Quin

MIRAMAR MINING CORPORATION

Consolidated Statements of Operations and Deficit
(Expressed in thousands of Canadian dollars, except share amounts)

Years ended December 31, 2001, 2000 and 1999

	2001	2000	1999
Revenue:			
Sales	$ 54,919	$ 51,202	$ 25,535
Other income	902	1,501	3,358
	55,821	52,703	28,893
Expenses:			
Cost of sales	47,455	44,097	23,040
Depreciation and depletion	8,895	9,242	7,732
General and administration	2,851	4,163	5,291
Administration costs in Northern Orion	174	-	-
Exploration and property investigation	12	1,080	290
Foreign exchange loss (gain)	(129)	(137)	536
Property holding costs during labour disruption	-	-	2,990
Reclamation	1,772	1,552	1,125
Severance and terminations	93	678	4,434
Write-down of mineral properties and other assets	-	1,958	625
Write-down of mineral properties in subsidiary (note 6)	-	48,175	11,181
	61,123	110,808	57,244
Loss from operations before items noted below	5,302	58,105	28,351
Equity in loss of Northern Orion	571	-	-
Non-controlling interest	(134)	(8,994)	(8,208)
Loss before income taxes	5,739	49,111	20,143
Income taxes (note 10):			
Current	160	-	-
Future income tax recovery	-	(5,720)	-
	160	(5,720)	-
Loss for the year	5,899	43,391	20,143
Deficit, beginning of year	146,533	103,142	71,289
Deficit, end of year	$ 152,432	$ 146,533	$ 91,432
Loss per share	$ 0.10	$ 0.76	$ 0.35
Weighted average number of common shares and special warrants outstanding	61,682,152	56,935,480	56,693,804

See accompanying notes to consolidated financial statements.

MIRAMAR MINING CORPORATION

Consolidated Statements of Cash Flows
(Expressed in thousands of Canadian dollars)

Years ended December 31, 2001, 2000 and 1999

	2001	2000	1999
Cash provided by (used in):			
Operations:			
Loss for the year	$ (5,899)	$ (43,391)	$ (20,143)
Items not involving cash:			
Depreciation and depletion	8,895	9,242	7,732
Write-down of mineral properties in subsidiary	-	48,175	11,181
Write-down of mineral properties and other assets	-	1,958	625
Gain on sale of equipment	(265)	-	-
Future income tax recovery	-	(5,720)	-
Reclamation provision	309	441	373
Equity in loss of Northern Orion	571	-	
Non-controlling interest	(134)	(8,994)	(8,208)
Other	319	779	192
Deferred gain	-	-	(6,338)
Net change in non-cash working capital:			
Decrease (increase) in accounts receivable	997	(291)	3,929
Decrease (increase) in inventory	(103)	(2,764)	2,455
Decrease (increase) in prepaid expenses	494	1,163	(1,768)
Decrease in accounts payable and accrued liabilities	306	2,153	219
	5,490	2,751	(9,751)
Investments:			
Acquisition of mineral properties	-	(300)	(20,506)
Expenditures on plant, equipment and deferred exploration	(14,576)	(16,584)	(11,268)
Proceeds on sale of short-term investments	-	6,292	8,241
Collateral receipts (deposits)	719	(1,811)	(584)
Proceeds on sales of mine equipment	541	-	-
Acquisition of other assets	-	-	(955)
	(13,316)	(12,403)	(25,072)
Financing:			
Issue of special warrants and common shares for cash, net	3,649	3,585	-
Repayment of long-term debt	-	-	(5,801)
	3,649	3,585	(5,801)
Decrease in cash and cash equivalents	(4,177)	(6,067)	(40,624)
Cash and cash equivalents, beginning of year	17,670	23,737	64,361
Cash and cash equivalents, end of year	$ 13,493	$ 17,670	$ 23,737
Supplementary information:			
Income taxes paid	$ 160	$ 35	$ 50
Interest paid	-	-	$ 136

See accompanying notes to consolidated financial statements.

(Tabular dollar amounts expressed in thousands of Canadian dollars)

1. Significant accounting policies:

(a) Basis of preparation:

These consolidated statements have been prepared in Canadian dollars and in accordance with Canadian generally accepted accounting principles. Material measurement differences to those in the United States of America are disclosed in note 17.

The consolidated financial statements include the accounts of the Company, its subsidiaries and its proportionate share of the accounts of unincorporated joint ventures. The Company's subsidiaries and joint ventures and its percentage ownership in each at December 31, are as follows:

Miramar Con Mine Ltd. ("Con Mine")	100.0%
Miramar Giant Mine Ltd.	100.0%
Miramar Hope Bay Ltd.	100.0%
Hope Bay Joint Venture (note 4)	50.0% (2000 - 50.0%)
Northern Orion Explorations Ltd. ("Northern Orion") (note 3)	61.5% (2000 - 62.1%; 1999 - 54.8%)
Miramar Gold Corporation	100.0%
Golden Eagle Mine (formerly "Golden Eagle Joint Venture")	100.0% (2000 - 60.0%)
Orcana Resources Corporation	100.0%
Talapoosa Mining Corp.	100.0%
Miramar Finance Corporation	100.0%

The Company accounts for its investments in the Hope Bay Joint Venture using the proportionate consolidation method. For the year ended December 31, 2000, the Company accounted for its investment in the Golden Eagle Joint Venture using the proportionate consolidation method.

The preparation of financial statements in accordance with Canadian generally accepted accounting principles requires management to make estimates that effect the reported values of assets and liabilities and the disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant areas requiring the use of management estimates relate to the determination of impairment of assets, reclamation obligations, future income taxes and rates for amortization of capital assets. Actual results could differ from these estimates.

(b) Cash and cash equivalents:

Cash and cash equivalents include investments with terms to maturity of three months or less when purchased.

(c) Revenue recognition and inventory:

Revenue is recognized on production and product inventories are recorded at estimated net realizable value. Materials and supplies inventories are valued at average cost less appropriate allowances for obsolescence.

1. Significant accounting policies (continued):

(d) Capital assets:

Capital assets, which include mine plant and equipment and mineral properties, are recorded at the lower of cost and estimated net recoverable amount. Plant and equipment are depreciated over their estimated useful lives, not to exceed the estimated proven and probable ore reserves. Mining equipment and vehicles are depreciated on a straight-line basis over estimated useful lives of two to 15 years. Hydro-electric assets are depreciated on a straight-line basis over 25 years. Office furniture and computer equipment are depreciated using the declining balance method at 20% and 30%, respectively.

The cost of mineral properties and related exploration and development costs are deferred until the properties are placed into production, sold or abandoned. These costs are amortized over the estimated useful life of the properties following the commencement of production or written off if the properties are sold, allowed to lapse or abandoned.

(e) Provision for site reclamation and closure costs:

Costs related to ongoing site restoration programs are expensed as incurred. Estimated costs of mine closure and site restoration are accrued and expensed over the estimated remaining life of the mineral properties on a unit-of-production basis. Estimates of the ultimate site reclamation and closure costs are based on current laws and regulations and expected costs to be incurred.

(f) Pension expenses and obligation:

The Company maintains defined benefit pension plans and provides certain non-pension post-retirement benefits consisting of extended health and other benefits. The cost of providing pension and other post-retirement benefits is actuarially determined and charged to earnings using the projected unit credit actuarial method based upon managements best estimate assumptions. Pension fund assets are valued at fair value. The pension expense for the year includes adjustments for plan amendments, experience gains and losses, and changes in assumptions which are being amortized on a straight-line basis over the expected average remaining service lives of the plan members. Any differences between the cumulative amounts expensed and the funding contributions are reflected as either an asset or a liability.

(g) Stock-based compensation plan:

The Company has a stock-based compensation plan. No compensation expense is recognized for these plans when shares or stock options are issued to employees. Any consideration paid by employees on exercise of stock options is credited to share capital. The plan provides that these options can alternatively be exercised as stock appreciation rights, whereby an optionee can elect to receive common shares equal to the appreciation in value of the optioned shares over the option price. No dollar amount is recognized in the financial statements when shares are issued as stock appreciation rights.

1. Significant accounting policies (continued):

(h) Translation of foreign currency:

The accounts of foreign operations are translated into Canadian dollars as follows:

- monetary assets and liabilities at the rates of exchange prevailing at the balance sheet date
- other assets and liabilities at applicable historical exchange rates
- revenues and expenses at the average rate of exchange for the period covering the statement of operations except for expenses related to non-monetary assets which are at the rates used for the translation of the related assets.

Translation gains and losses are included in earnings.

(i) Forward sales and hedging:

The Company uses forward sales agreements and options contracts for the purpose of managing price and currency exposures on its anticipated gold sales. These financial instruments are accounted for as hedges of anticipated transactions. Option premiums and gains and losses from these contracts are recorded in income in the same period as metal is produced to meet the hedged commitments.

The Company sells written call options. Based on recommendations issued by the Canadian Institute of Chartered Accountants for written call options sold subsequent to October 24, 2000, the premiums received at the inception of the written call options are recorded as a liability. Changes in the fair value of the liability are recognized in the statement of operations at each period.

(j) Income taxes:

The Company uses the asset and liability method of accounting for future income taxes. Under this method of tax allocation, future income tax assets and liabilities are determined based on differences between the financial statement carrying values and their respective income tax basis (temporary difference) and loss carry forwards. Future income tax assets and liabilities are measured using the substantially enacted or enacted tax rates expected to be in effect when the temporary differences are likely to reverse. The effect on future income tax assets and liabilities of a change in tax rates is included in the results of operations in the period in which the change is substantially enacted. The amount of future tax assets recognized is limited to the amount that is more likely than not to be realized.

Prior to the adoption of the asset and liability method effective for the year ended December 31, 2000, the Company used the deferral method of accounting for income taxes.

(Tabular dollar amounts expressed in thousands of Canadian dollars)

1. **Significant accounting policies (continued):**

(k) Loss per common share:

Basic loss per share is calculated by dividing loss available to common shareholders by the weighted average number of common shares and unrestricted special warrants outstanding in the period. For all periods presented, loss available to common shareholders equals the reported loss. Diluted loss per share is calculated by the treasury stock method. Under the treasury stock method, the weighted average number of common shares outstanding for the calculation of diluted loss per share assumes that the proceeds to be received on the exercise of dilutive stock options are applied to repurchase common share at the average market price for the period. This policy was adopted in the year ended December 31, 2001 and has been applied retroactively. There was no impact from the retroactive application on dilutive loss per share.

2. **Comparative figures:**

Reclamation liabilities for the Hope Bay properties assumed on acquisition in fiscal 1999 have been increased by $650,000 and consequently the purchase price of mineral properties have been increased by $650,000. There was no effect on income.

Certain comparative figures have been reclassified to conform to the classification adopted in the current year's consolidated financial statements.

3. **Northern Orion Explorations Ltd.:**

During the year end December 31, 2001, as part of a financial restructuring of Northern Orion Exploration Ltd., the Company granted an option to an unrelated party 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 at May 1, 2001 removed from the balance sheet were as follows:

Current assets	$ 102
Capital assets	53,681
	53,783
Current liabilities	(846)
Reclamation liabilities	(36)
Future income taxes	(15,990)
Non-controlling interest	(32,008)
Net assets being the equity carrying value at May 1, 2001	4,903
Equity in loss for the period from May 1, 2001 to December 31, 2001	(571)
Net carrying value at December 31, 2001	$ 4,332

(Tabular dollar amounts expressed in thousands of Canadian dollars)

3. Northern Orion Explorations Ltd. (continued):

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 amounts it has receivable from Northern Orion having a face value of $6.9 million for nominal consideration. No value has been assigned to this receivable in these consolidated financial statements. The Company would retain 10 million shares of Northern Orion which, should the option be fully exercised, represent less than 10% of Northern Orion. The Company retains a net proceeds interest ("NPI") in certain Northern Orion mineral properties. The Company acquired the NPI pursuant to a restructuring agreement with Northern Orion. The NPI entitles the Company to receive the economic equivalent of a 2.5% net smelter return on all of Northern Orion's mineral properties as well as 50% to 100% of the proceeds from the disposition of certain Northern Orion mineral properties. The total amount payable by Northern Orion is $15.0 million. Recovery of the carrying value of the total investment amounting to $19.41 million is dependant upon the sale of Northern Orion shares or the option for the sale of the shares being exercised and receipt of net proceeds from eventual production from the properties or their sale by Northern Orion.

4. Investment in Joint Venture:

The Company's proportionate share of the financial position of Hope Bay Joint Venture is:

	2001	2000
Current assets	$ 1,263	$ 1,192
Deferred exploration and development	13,239	5,401
	14,502	6,593
Current liabilities	(320)	(526)
Site reclamation liability	(650)	(650)
Contributed equity	$ 13,532	$ 5,417

The Company supplied services to Hope Bay Joint Venture totaling $548,000 in the year. All transactions are at market prices and on normal business terms.

5. Inventory:

	2001	2000
Gold and silver	$ 3,202	$ 3,023
Materials and supplies	6,108	6,184
	$ 9,310	$ 9,207

(Tabular dollar amounts expressed in thousands of Canadian dollars)

6. Capital assets:

	2001	2000
Producing:		
Property, plant and equipment	$ 74,959	$ 83,955
Deferred exploration and development	48,019	41,972
Accumulated depreciation, depletion and write-downs	(103,664)	(102,637)
	19,314	23,290
Non-producing:		
Property, plant and equipment	1,884	3,438
Deferred exploration and development	34,744	94,032
Accumulated depreciation, depletion and write-downs	(1,358)	(2,901)
	35,270	94,569
	$ 54,584	$ 117,859

It is management's policy to review the carrying value of all mineral properties on an ongoing basis. In 2000, the Company recorded a write-down of mineral properties held by Northern Orion of $48.2 million. In 1999, Northern Orion ceased operation of the gold phase of a copper-gold project in Central America and reduced the carrying value of the producing mine plant and equipment by $3.9 million. In 1999, several exploration and development properties in Latin America were determined to be uneconomic and were written-down by $5.7 million.

7. Cash collateral deposits:

The Company has established the following cash deposits with chartered banks to serve as collateral for letters of credit pledged in favour of various governmental agencies under several water licences and mineral exploration and mining agreements. The deposits are invested in guaranteed investment certificates and bear interest at market rates. These funds will be returned to the Company upon final reclamation of the properties to which they relate.

	2001	2000
Con Mine water license	$ 1,500	$ 1,522
Bluefish water license	200	200
Giant Mine water license	200	200
Giant Mine road permit	50	50
Golden Eagle reclamation	434	949
Talapoosa reclamation	218	400
Hope Bay water licenses and land permits	1,225	1,225
	$ 3,827	$ 4,546

(Tabular dollar amounts expressed in thousands of Canadian dollars)

8. Other assets:

	2001	2000
Investments	$ 14	$ 14
Other	11	189
	$ 25	$ 203

9. Share capital and convertible debentures:

(a) Authorized:

500,000,000 common shares without par value.

(b) Issued:

	Common shares		Special warrants	
	Number of shares	Amount	Number of shares	Amount
Balance, December 31, 1998 and 1999	56,693,803	229,377	-	-
Issued:				
Special warrants, net of costs	-	-	3,333,500	3,438
Conversion of special warrants into common shares	3,333,500	3,438	(3,333,500)	(3,438)
Future income tax effect of flow-through shares issued	-	(1,680)	-	-
On settlement of debt	110,000	147	-	-
On exercise of stock appreciation rights	28,143	-	-	-
Balance, December 31, 2000	60,165,446	231,282	-	-
Issued:				
Special warrants, net of costs	-	-	3,076,838	3,628
Conversion of special warrants into common shares	786,623	928	(786,623)	(928)
Future income tax effect of flow-through shares issued	-	(1,768)	-	-
On exercise of stock appreciation rights	35,713	-	-	-
On exercise of stock options	22,000	21	-	-
Balance, December 31, 2001	61,009,782	230,463	2,290,215	2,700

During the year ended December 31, 2000, the Company completed a private placement of 3,333,500 Special Warrants. The gross proceeds of the offering of Special Warrants of $4,000,200 were used by the Company to incur Canadian Exploration Expenditures as defined by the Canadian Income Tax Act. Each Special Warrant was converted into one flow-through common share.

(Tabular dollar amounts expressed in thousands of Canadian dollars)

9. Share capital and convertible debentures (continued):

(b) Issued:

In May 2001, the Company completed a private placement of 3,076,838 Special Warrants at a price of $1.30 per Special Warrant. Each Special Warrant is convertible, without additional payment, into one flow-through common share. There are no restrictions on the ability of the holder to convert the special warrants to common shares. At year-end, 2,290,215 Special Warrants remain to be converted. 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 by December 31, 2002. The agent for the Special Warrants offering received commissions of $248,812 on closing and an option to purchase 206,116 common shares at $1.30 per share that expires in May 2003.

(c) Stock options:

Stock options are granted at the closing market price of the common shares on the last trading day before the date of grant. Options have a maximum term of ten years and usually terminate 30 days following the termination of the optionee's employment. All options granted are exercisable within two years from date of grant. The stock option plan includes share appreciation rights providing for an optionee to elect to terminate options and to receive an amount in common shares equal to the difference between the fair market value at the time of termination and the exercise price for those options terminated.

At December 31, the Company had stock options outstanding as follows:

	2001		2000		1999	
	Shares options	Average exercise price	Shares options	Average exercise price	Shares options	Average exercise price
Outstanding, beginning of year	1,855,000	$ 4.01	2,549,559	$ 5.65	5,450,848	$ 6.72
Granted	991,121	1.00	464,000	0.70	473,000	1.07
Exercised	(192,000)	0.92	(55,000)	0.70	-	-
Forfeited and expired	(932,000)	6.40	(1,103,559)	6.56	(3,374,289)	6.73
Outstanding, end of year	1,722,121	$ 1.33	1,855,000	$ 4.01	2,549,559	$ 5.65

The stock options outstanding at December 31, 2001 are fully vested and expire as follows:

Year	Number	Exercise price
2002	145,000	$ 5.54
2004	438,000	1.03
2005	330,000	0.70
2006	809,121	1.00

(Tabular dollar amounts expressed in thousands of Canadian dollars)

9. Share capital and convertible debentures (continued):

(d) Warrants:

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 expired on September 7, 2001.

In May 2001, as part of the Special Warrants private placement completed by the Company, the agent received an option to purchase 206,116 common shares at $1.30 per share exercisable until May 2003.

10. Income and resource taxes:

At December 31, 2001, the Company has unused tax loss carry forwards in Canada of $19.3 million (2000 - $29.7 million) expiring between the years 2002 and 2008 which are available to reduce taxable income and capital losses of $22.6 million which are available indefinitely, but can only be utilized against capital gains. The ability of the Company to utilize the loss carry forwards and the capital losses is considered unlikely and a valuation allowance has been provided against these assets. The Company also has U.S.$5.9 million of U.S. tax loss carry forwards that expire between the years 2002 and 2018. These U.S. tax losses relate primarily to operations that have been suspended or abandoned. The ability of the Company to utilize these losses is considered unlikely and a valuation allowance has been provided against this asset.

The tax effect of the significant components within the Company's future tax liability were as follows:

	2001	2000
Loss carry forwards	$ 10,402	$ 16,099
Capital losses	4,027	-
Capital assets	13,675	11,144
Canadian mining royalty	21,066	21,220
Canadian resource deductions	6,069	10,953
Reclamation liabilities	2,363	2,181
Equity investment and net proceeds interest	7,305	-
Other	1,151	1,624
	66,058	63,221
Valuation allowance	(66,058)	(63,221)
Net future tax asset	-	-
Future income tax liability in subsidiary	-	(15,990)
Future income tax liability on flow-through shares	(3,448)	(1,680)
Net future income tax liability	$ (3,448)	$ (17,670)

(Tabular dollar amounts expressed in thousands of Canadian dollars)

10. Income and resource taxes (continued):

Income tax recovery attributable to losses differs from the amounts computed by applying the combined federal and provincial income tax rate of 43.6% (2000 - 40.8%; 1999 - 40.8%) to pretax losses as a result of the following:

	2001	2000	1999
Loss before equity loss, non-controlling interest and income taxes	$ 5,302	$ 58,105	$ 28,351
Computed expected tax recovery	$ 2,312	$ 23,707	$ 11,567
Reduction in income taxes resulting from change in valuation allowance/tax benefits not recognized	(2,312)	(17,987)	(11,567)
Capital taxes	160	-	-
Income taxes (recovery)	$ 160	$ (5,720)	$ -

11. Pension plan and other post-retirement benefits:

The Company has four defined benefit pension plans covering substantially all of the employees at the Con Mine and the Giant Mine. These plans are funded on an ongoing basis, based on periodic actuarial valuations and statutory requirements. In addition, the Company provides for other post-retirement benefits. The liability for these benefits is estimated for accounting purposes on an ongoing basis using periodic actuarial calculations.

Summary information related to the defined benefit pension plans and other benefits are as follows:

	Pension benefit plans		Other benefit plans	
	2001	2000	2001	2000
Accrued benefit obligation	$ 14,305	$ 13,256	$ 947	$ 1,556
Fair value of plan assets	14,625	14,481	-	-
Funded status surplus (deficit)	320	1,225	(947)	(1,556)
Unamortized past service costs	76	-	(749)	-
Unamortized experience gain	943	-	-	-
Net accrued asset (liability)	$ 1,339	$ 1,225	$ (1,696)	$ (1,556)

(Tabular dollar amounts expressed in thousands of Canadian dollars)

11. Pension plan and other post-retirement benefits (continued):

Reconciliation of accrued benefit obligation:

	Pension benefit plans		Other benefit plans	
	2001	2000	2001	2000
Balance, beginning of year	$ 13,256	$ 12,626	$ 1,556	$ 1,363
Current service cost	643	558	24	94
Interest cost	924	864	61	114
Benefits paid	(613)	(792)	(27)	(15)
Actuarial gains (losses)	95	-	(667)	-
Accrued benefit obligation, end of year	$ 14,305	$ 13,256	$ 947	$ 1,556

Reconciliation of plan assets:

	Pension benefit plans		Other benefit plans	
	2001	2000	2001	2000
Fair value, beginning of year	$ 14,481	$ 13,884	$ -	$ -
Actual return on plan assets	144	364	-	-
Employer contributions	613	1,025	27	15
Benefits paid	(613)	(792)	(27)	(15)
Fair value of plan assets, end of year	$ 14,625	$ 14,481	$ -	$ -

Pension expense in the year for the pension plans was $498,000 (2000 - $396,000; 1999 - $112,000). Other benefit expense for the year is $144,000 (2000 - $208,000; 1999 - 196,000). Pension expense for the year was comprised of the following:

	2001	2000	1999
Current service cost	$ 642	$ 558	$ 453
Interest cost	924	865	824
Expected return on plan assets	(1,087)	(1,026)	(989)
Amortization of past service costs	19	-	(176)
	$ 498	$ 396	$ 112

In one of the defined benefit pension plans, the accrued benefit obligation exceeds the fair value of plan assets at year-end by $791,000 (2000 - $834,000). Payments are being made to fund the excess of the accrued benefit obligation over the fair value of plan assets in accordance with applicable legislation.

(Tabular dollar amounts expressed in thousands of Canadian dollars)

11. Pension plan and other post-retirement benefits (continued):

For purposes of measuring other benefits, an 80% probability was assigned to termination of employees in five years due to mine closure. The significant actuarial assumptions used in 2001 and 2000 in the measurement of the Company's benefit obligation are shown in the following table:

	Pension benefits	Other benefits
Discount rate	6.75%	6.75%
Expected long-term rate of return on plan assets	7.50%	n/a
Weighted average rate of compensation increase	1.25%	n/a

12. Business segments:

(a) Reportable Segments – The Company's two operating mines produce gold and are located in Canada. Hope Bay is an exploration stage gold property located in Canada. Development stage copper properties in Central and South America are owned by Northern Orion which is 61.48% (2000 - 62.1%; 1999 - 54.8%) owned by the Company and equity accounted for since May 1, 2001. Reportable assets and revenues do not differ materially from the amounts disclosed in these consolidated financial statements, as there are no material inter-segment sales.

(b) Geographic Segments - The Company operates in Canada, Central America and South America.

The Company's capital assets, capital expenditures, revenues and loss before non-controlling-interest, equity loss and future income tax recovery ("FIT") by operating and geographic segment are as follows:

2001	Capital assets	Capital expenditures	Revenues	Loss before controlling interest + FIT
Gold operations	$ 19,314	$ 6,383	$ 54,919	$ 2,502
Gold exploration	33,601	8,053	-	-
Northern Orion	-	66	13	174
Other	1,669	74	889	2,626
	$ 54,584	$ 14,576	$ 55,821	$ 5,302

2000	Capital assets	Capital expenditures	Revenues	Loss before controlling interest + FIT
Gold operations	$ 21,719	$ 9,149	$ 51,202	$ 3,363
Gold exploration	26,207	5,494	-	-
Northern Orion	68,633	1,810	66	49,708
Other	1,300	431	1,435	5,034
	$ 117,859	$ 16,884	$ 52,703	$ 58,105

(Tabular dollar amounts expressed in thousands of Canadian dollars)

12. Business segments (continued):

1999	Capital assets	Capital expenditures	Revenues	Loss before controlling interest
Gold operations	$ 20,730	$ 6,610	$ 22,602	$ 5,633
Gold exploration	20,062	20,062	-	-
Northern Orion	114,830	4,034	2,960	18,167
Other	3,202	1,068	3,331	4,551
	$ 158,824	$ 31,774	$ 28,893	$ 28,351

13. Financial risk management:

(a) Gold hedging:

In order to manage its exposure to fluctuations in the price of gold, the Company enters into fixed forward, spot deferred and options contracts in the course of its business. Forward sales agreements obligate the Company to sell gold at a specified price on a specified date. Spot deferred contracts allow the Company to defer the delivery of gold under the contracts to a later date at the original contract price plus the prevailing premium (contango) at the time of the deferral, thereby allowing the Company to participate in current market price increases while providing future downside protection. Put options provide the holder with the right, but not the obligation, to sell gold at the contract price. Call options written provide the holder with the right, but not the obligation, to purchase gold at the contract price.

The Board of Directors has approved a hedging policy and reviews the Company's hedging position periodically. As at December 31, 2001, the Company had entered into the following gold contracts:

	Ounces	Average price per ounce	Anticipated delivery/expiry
Gold forward sales contracts	5,000	US$278	2002
Gold forward sales contracts	10,000	CAD$443	2002
Gold call options sold	10,000	US$285	2002
Gold call options sold	23,000	CAD$448	2002
Gold call options sold	18,000	CAD$450	2003

(Tabular dollar amounts expressed in thousands of Canadian dollars)

13. Financial risk management (continued):

(a) Gold hedging (continued):

As at December 31, 2000, the Company had entered into the following gold contracts:

	Ounces	Average price per ounce	Anticipated delivery/expiry
Gold forward sales contracts	7,300	US$275	2001
Gold call options sold	18,000	US$285	2002
Gold call options sold	18,000	US$285	2003

(b) Foreign currency hedging:

All of the Company's mineral revenues are denominated in US dollars. In order to manage its exposure to currency fluctuations, the Company may enter into currency forward sales or options contracts. The Board of Directors has approved a hedging policy and reviews the Company's hedging position periodically.

As at December 31, 2001, the Company had outstanding contracts as follows:

	U.S. dollars	Average exchange rate
U.S. $ forward sales	$ 1,000,000	1.5902

As at December 31, 2000, the Company had no outstanding currency contracts.

(c) Credit risks:

The Company's ability to realize on the above contracts is dependent upon the ability of the counter-parties to perform in accordance with the terms of the agreements. The Company deals only with major financial institutions with investment grade credit ratings and does not expect any counter-parties to fail to meet their obligations.

14. Financial instruments:

Fair value estimates are made at the balance sheet date, based upon relevant market information and information about the financial instrument. These estimates are subjective in nature and involve uncertainties in significant matters of judgment. Changes in assumptions and market conditions could significantly affect these estimates. Factors used in determining the fair value of gold call options are the contracted sales price of gold in comparison to current spot price and the probability of movements in the price of gold over the term of the option. As at December 31, 2001, the combination of the current spot price of U.S.$ 278 per ounce and the probability of future price changes has had a significant effect on the fair value of gold call options sold. However, the effect of the probability of future price changes on the fair value estimate diminishes over the life of the option. The carrying values of all financial instruments approximated fair values, except for derivative instruments.

(Tabular dollar amounts expressed in thousands of Canadian dollars)

14. Financial instruments (continued):

The fair value excess (deficit) of derivative instruments at December 31 are as follows:

	2001		2000	
	Carrying value	Fair value	Carrying value	Fair value
Derivatives:				
Gold forward sales contracts	$ -	$ (28)	$ -	$ 37
Gold calls sold	(112)	(1,017)	-	(1,159)
U.S. $ forward sales	-	-	-	-

During the year, the Company entered into an agreement with a financial institution for the purchase and sale of swaps and derivatives that contains certain financial covenants that the Company must maintain with respect to net tangible assets, current ratio, total liabilities, trade creditors and liquid assets. If the Company fails to meet any of these covenants, the financial institution has the right to demand payment of the net value of any contracts that are outstanding at the time of default. At December 31, 2001, the Company was not offside with any of these financial covenants.

15. Commitments and contingencies:

(a) The Con Mine is committed to the purchase of $780,000 of liquid oxygen per annum through 2007, subject to an ongoing purchase option in the Company's favour at the discounted value of the remaining payments.

(b) The Con Mine has granted a $20 million fixed charge demand debenture secured by its assets in favour of a private company in return for certain environmental indemnities provided by the private company to a previous owner of the Con Mine. The charge is only enforceable by the private company if it is required to indemnify the previous owner for actual environmental liabilities.

(c) As a condition of the acquisition of the Giant Mine assets, Miramar Giant Mine Ltd. ("MGML") has established cash collateral security of $200 (note 7) and has issued promissory notes in the total amount of $4.8 million as security under the existing water licence. The promissory notes are secured solely by the Giant Mine assets and are due only from MGML upon default of the Reclamation Security Agreement ("RSA"). Under the RSA, MGML is required to pledge additional security to a Canadian government agency under a water license by issue of a promissory note for an additional $2.0 million on or before June 30, 2002. Recourse for this additional security is limited solely to the Giant Mine assets. These notes are provided as security solely against the ultimate reclamation costs of the Giant Mine.

15. Commitments and contingencies (continued):

(c) Continued:

Under the RSA, the Con Mine had agreed to match government funded exploration expenditures within the Yellowknife Greenstone belt to a maximum of $500,000 per year of which a minimum of 30% of the expenditures will be used in programs on the Giant Mine Assets. The amendment to the RSA completed in November 2001 removed this provision. The amendment to the RSA also provided that MGML continue to operate the mine and hold the property in compliance with environmental requirements for an indefinite term. In compensation for environmental and holding costs, MGML will be reimbursed $300,000 monthly. Termination of the RSA agreement by MGML requires written notice one month prior to termination date.

(d) On August 8, 2000, the Company received a renewal water licence for the Con Mine issued under the Northwest Territories Waters Act. This licence expires on July 29, 2006. A condition of the licence is that Con Mine maintains a security deposit in a form acceptable to the issuer. The security deposit of $1.5 million (note 7) is subject to an increase of $1.5 million on each subsequent anniversary of the licence until $9 million is available. In June 2001, the Company proposed to post a $1.5 million encumbrance on the Bluefish hydroelectric facility as security. This is currently being negotiated with the issuer. Reductions in the security deposit may be granted based upon the annual estimates of the remaining reclamation liability for the Con Mine.

(e) In 1995, the Company entered into a joint exploration transaction with an investor that resulted in the sale of an interest in the assets comprising the Con Mine. The transaction was based upon an independent valuation prepared for the Company. In 2000, Canada Customs and Revenue Agency (the “Agency”) issued a re-assessment notice challenging the valuation that formed the basis for this transaction. This re-assessment does not give rise to any taxes payable by the Company. However, as part of the transaction in 1995, the Company agreed to compensate the investor for any shortfall in the value of the assets transferred to a maximum of $2.7 million plus accrued interest, which amounts to approximately $1.3 million, such amounts to be payable should a ruling denying the transfer of certain tax pools be made against the Company. As present, the Company has requested certain information from the Agency and is awaiting a response. While management intends to strenuously defend the independent valuation, the outcome of this issue is not yet determinable. No provision for these costs has been recorded at December 31, 2001.

16. Subsequent events:

(a) In February 2002, the Company announced that it had reached an agreement in principle to merge with Hope Bay Gold Corporation ("Hope Bay Gold") on the basis of 0.263 of a common share of the Company per one common share of Hope Bay Gold. The transaction is expected to take the form of a court-approved amalgamation between a subsidiary of the Company and Hope Bay Gold. This transaction would result in the Hope Bay Gold shareholders holding 38% of the Company. Hope Bay Gold's primary asset is the 50% interest in the Hope Bay project. Certain assets of Hope Bay Gold are not intended to be included in this transaction. Completion of the transaction is subject to Hope Bay Gold shareholder approval as well as regulatory and court approval. A $1.5 million breakup fee is payable by Hope Bay Gold if fewer than 55% of the Hope Bay Gold shareholders approve the transaction.

(b) In February 2002, the Company announced that it has entered into a Letter of Intent for a private placement of up to 2,666,667 flow-through shares at a price of $1.50 per share resulting in gross proceeds of up to $4.0 million. In consideration for its services, the agents will receive a 6.5% cash commission and an agent's option to acquire shares in an amount equal to 7% of the number of flow through common shares sold. The agent's option will be exercisable within two years at $1.50 per share. This offering is subject to regulatory approval.

(c) In February 2002, Talapoosa Mining Inc., an indirect wholly owned subsidiary of the Company, entered into a definitive purchase and sale agreement for the Talapoosa property ("Property") in Nevada, USA, with American Gold Capital Corporation ("AGC"). In accordance with the Agreement, the Company will receive 575,000 common shares of AGC as partial consideration for the Property. In addition the Company will be granted an option to acquire an additional 175,000 common shares for nominal consideration upon either (i) completion of a positive feasibility study in respect of the Property or (ii) completion of a subsequent sale of the Property for gross proceeds greater than $2.0 million. In the event AGC sells all or part of the Property for less than $2.0 million, AGC is obligated to pay 8.75% of the gross proceeds to the Company in either cash or shares at the then market price, up to a maximum of $175,000. This transaction is subject to regulatory approval.

(d) On March 18 2002, the Company announced the collapse of the roof of the building containing the oxygen plant at the Company's Con Mine in Yellowknife. The building is not generally occupied and there were no injuries as a result of the collapse. The oxygen plant is a leased facility that provides oxygen to the autoclave for the oxidation of refractory sulphide concentrates produced from ores mined at the Company's Con and Giant Mines. The cause of the incident has not yet been determined. Autoclave operations have been temporarily suspended and the impact on operations is unknown. This incident does not affect the production of gold from the free milling operations at the Con Mine. The cost impact of this incident and the required adjustments to ongoing operations are currently being assessed; however there should not be any long-term impact on the Company. Based on available information, it is estimated that overall operating costs could increase by $1.0-$1.5 million for fiscal 2002.

17. Differences between Canadian and United States generally accepted accounting principles:

Generally accepted accounting principles in Canada ("Canadian GAAP") are different in certain respects from those applicable in the United States ("U.S. GAAP") including practices prescribed by the Securities and Exchange Commission. The significant differences to these consolidated financial statements are as follows:

(a) Under U.S. GAAP, entities are encouraged to adopt a fair value methodology of accounting for stock-based compensation. As permitted by U.S. GAAP, the Company has elected to continue measuring stock-based compensation costs for employees using the intrinsic value based method of accounting.

Under the intrinsic value method, compensation cost is the excess, if any, of the quoted market value of the stock at grant date over the amount an employee must pay to acquire the stock. As the exercise prices of options granted by the Company to employees and directors approximate market value at the grant date, the Company has determined that the adoption of this accounting policy for U.S. GAAP purposes does not result in a Canadian/U.S. GAAP difference.

Stock options granted to non-employees for services rendered to the Company are required to be accounted for based on the fair value of the services provided or the consideration issued. As the Company has not granted any stock options to non-employees during any of the periods presented, the Company has determined that the adoption of this accounting policy for U.S. GAAP purposes does not result in a Canadian/U.S. GAAP difference.

(b) Stock options may be exercised as share appreciation rights providing for an optionee to elect to terminate options and to receive an amount in common shares equal to the difference between the fair market value at the time of termination and the exercise price for those options terminated.

Under U.S. GAAP, such rights are considered to be compensatory in nature and the changes in the value of shares issuable as stock appreciation rights are recognized on an ongoing basis by a charge or credit to income. At December 31, 2001, the value attributable to outstanding share appreciation rights for U.S. GAAP purposes is $41,000 (2000 - $121,000). The effect of the application of U.S. GAAP would be to (decrease) increase loss for the year by ($23,000) (2000 - $121,000; 1999 - $nil).

(c) U.S. GAAP requires that the carrying value of long-lived assets, such as property, plant and equipment, be reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. In performing the review for recoverability, the Company is to estimate the future cash flows expected to result from the use of the asset and its eventual disposition. If the sum of the expected future cash flows (undiscounted and without interest charges) is less than the carrying amount of the asset, an impairment loss is recognized. SEC staff have interpreted U.S. GAAP to require that mineral property exploration and land use costs be expensed as incurred, until commercially mineable deposits are determined to exist within a particular property, as cash flows cannot be reasonably estimated prior to such determination. Accordingly, for U.S. GAAP purposes, for all periods presented the Company has expensed all land use costs for mineral properties and deferred exploration costs for which commercially mineable revenues, as defined, do not exist. For Canadian GAAP, cash flows relating to mineral property exploration and land use costs are reported as investing activities. For U.S. GAAP, these costs would be characterized as operating activities.

17. Differences between Canadian and United States generally accepted accounting principles (continued):

(d) Under U.S. GAAP, the investments described in note 8 would be considered to be available-for-sale securities and reported at fair value, with unrealized gains and losses excluded from earnings and reported in a separate component of shareholders' equity. For all periods presented, the carrying value of investments approximates fair value. Accordingly, the adoption of this accounting policy for U.S. GAAP purposes does not result in a Canadian/U.S. GAAP difference.

(e) At December 31, 2001, for U.S. GAAP purposes the Company has deferred tax assets as a result of the depreciation and depletion of property, plant and equipment for accounting purposes at rates which resulted in deductions in excess of those for tax purposes. The deferred tax assets are fully offset by a valuation allowance as, based on the weight of available evidence, it is more likely than not that the benefits will not be realized.

The effect of the application of U.S. GAAP would be to (decrease) increase the loss for the year by $1,768,000 (2000 - $7,400,000; 1999 - $nil), to decrease liabilities and non-controlling interest by $nil (2000 - $5,990,000) and to increase shareholders' equity by $nil (2000 - $5,990,000; 1999 - $nil). The effect for the year ended December 31, 2000 was restated to write-off the future tax liability on flow-through shares of $1,680,000.

(f) Under U.S. GAAP, gains and losses arising on translation of long-term foreign currency denominated liabilities at each period end that are deferred and amortized for Canadian GAAP purposes over the remaining life of such liabilities would be included in earnings as they arise. The effect of the application of U.S. GAAP would be to (decrease) increase the loss for the year by $nil (2000 - $nil; 1999 - ($467,000)) and eliminate the deferred foreign exchange gain.

(g) Effective January 1, 2001, the Company adopted FASB Statement No. 133, "*Accounting for Derivative Instruments and Hedging Activities*" ("SFAS 133"), and the corresponding amendments under FASB Statement No. 138 ("SFAS 138"). The Statement requires that all derivative financial instruments which do not qualify as a hedge be recognized in the financial statements and measured at fair value regardless of the purpose or intent for holding them. Changes in the fair value of derivative financial instruments are recognized periodically in income.

17. Differences between Canadian and United States generally accepted accounting principles (continued):

(g) Continued:

On adoption of SFAS 133 and 138, the Company did not complete the required designation and effectiveness assessment to achieve hedge accounting for the gold forward sales contracts. Although the contracts are considered to be effective economic hedges and they were accounted for as hedges for Canadian GAAP purposes. For U.S. GAAP only, these contracts are carried at fair value with the changes in fair value recorded as an adjustment to the loss.

The adoption of SFAS 133 and 138 resulted in deferred revenue of $11,000 at December 31, 2001, and a $37,000 credit to income for the year for the cumulative effect on adoption of the Statement. The charge to loss for the year for the change in fair value of the outstanding contracts at December 31, 2001 was $28,000.

The effect of prior year was restated for the years ended December 31, 2000 and 1999 to mark to market call options written and to charge the effect to expense.

(h) Under Canadian income tax legislation, a company is permitted to issue shares whereby the company agrees to incur qualifying expenditures and renounce the related income tax deductions to the investors. The Company has accounted for the issue of flow-through shares by crediting share capital for the amount of the proceeds received, in accordance with Canadian GAAP

For U.S. GAAP, the premium paid in excess of the fair value is credited to other liabilities and included in income over the period in which the Company incurs the qualified expenditures.

Also, notwithstanding whether there is a specific requirement to segregate the funds, the flow-through funds which are unexpended at the consolidated balance sheet dates are considered to be restricted and are not considered to be cash or cash equivalents under U.S. GAAP. As at December 31, 2001, unexpended flow-through funds were $691,000.

As the difference between the quoted market value and the share issue price at the date of the private placement was immaterial, the Company has determined that the adoption of this accounting policy for U.S. GAAP purposes does not result in a Canadian / U.S. GAAP difference.

(i) U.S. GAAP requires investments in incorporated joint ventures to be accounted for using the equity method, while under Canadian GAAP, the accounts of incorporated joint ventures are proportionately consolidated. However, under rules promulgated by the SEC, a foreign registrant may, subject to the provision of additional information, continue to follow proportionate consolidation for purposes of registration and other filings notwithstanding the departure from U.S. GAAP. Consequently, the consolidated balance sheets have not been adjusted to restate the accounting for joint ventures under U.S. GAAP. Additional information concerning the Company's interests in joint ventures is presented in Note 4.

(Tabular dollar amounts expressed in thousands of Canadian dollars)

17. Differences between Canadian and United States generally accepted accounting principles (continued):

(j) Under Canadian GAAP, the Company recognizes revenue on production and records its gold bullion inventory at net realizable value. SEC staff interpretations of U.S. GAAP require gold bullion to be carried at cost until refining is complete.

The Company has determined that the adoption of this accounting policy for U.S. GAAP purposes does not result in a material Canadian/U.S. GAAP difference.

(k) Effective for fiscal years beginning after June 15, 2002, SFAS Statement No. 143 "*Accounting for Asset Retirement Obligations*" is applicable for U.S. GAAP purposes. FAS 143 addresses financial accounting and reporting standards for obligations associated with the retirement of tangible long-lived assets and the associated asset retirement costs. As at December 31, 2001, the Company has not yet determined the impact of adopting FAS 143 on its financial statements.

(l) Effective for fiscal years beginning after December 15, 2001, SFAS Statement No. 144 "*Accounting for the Impairment or Disposal of Long-Lived Assets*" is applicable for U.S. GAAP purposes. FAS 144 requires that long-lived assets that are to be disposed of by sale be measured at the lower of book value or fair value less cost to sell. As at December 31, 2001, the Company has not yet determined the impact of adopting FAS 144 on its financial statements.

The effect of the differences between Canadian GAAP and U.S. GAAP on the balance sheets, statements of operations and cash flows follows:

Balance Sheets	2001	2000
Assets, under Canadian GAAP	$ 102,266	$ 152,517
Mineral property exploration and development (c)	(13,936)	(72,617)
Assets, under U.S. GAAP	$ 88,330	$ 79,900
Liabilities and non-controlling interest, under Canadian GAAP	$ 21,535	$ 67,768
Effect on non-controlling interest of write-down of mineral property exploration and development (c)	-	(41,917)
Future income tax liability (e)	(1,768)	(7,670)
Fair value of call options (g)	905	1,159
Change in fair value of outstanding contracts (g)	28	-
Adoption of SFAS 133 cumulative adjustment (g)	(37)	-
Liabilities and non-controlling interest, under U.S. GAAP	$ 20,663	$ 19,340

(Tabular dollar amounts expressed in thousands of Canadian dollars)

17. Differences between Canadian and United States generally accepted accounting principles (continued):

Balance Sheets	2001	2000
Shareholders' equity, under Canadian GAAP	$ 80,731	$ 84,749
Mineral property exploration and development (c)	(13,936)	(30,700)
Future income tax liability (e)	1,768	7,670
Fair value of call options (g)	(905)	(1,159)
Change in fair value of outstanding contracts and cumulative adjustment (g)	9	-
Shareholders' equity, under U.S. GAAP	$ 67,667	$ 60,560

	Years ended December 31,		
Statements of Operations	2001	2000	1999
Loss for the year, Canadian GAAP	$ (5,899)	$ (43,391)	$ (20,143)
Decrease (increase):			
Change in fair value of share appreciation rights (b)	23	(121)	-
Mineral property exploration costs and write-downs (c)	(7,397)	45,628	(1,408)
Non-controlling interest (c)	-	(7,701)	29
Future income tax recovery (e)	1,768	7,400	-
Foreign exchange loss (f)	-	-	467
Change in fair value of outstanding contracts (g)	(28)	-	-
Change in fair value of call options (g)	254	995	(2,154)
Earnings (loss) before provision for cumulative effect of change in accounting principle	(11,279)	2,810	(23,209)
Adoption of SFAS 133 cumulative adjustment (g)	37	-	-
Net earnings (loss) for the year, U.S. GAAP	$ (11,242)	$ 2,810	$ (23,209)
Earnings (loss) per share – basic, before and after cumulative effect of adopting SFAS 133, U.S. GAAP	$ (0.18)	$ 0.05	$ (0.41)

(Tabular dollar amounts expressed in thousands of Canadian dollars)

17. Differences between Canadian and United States generally accepted accounting principles (continued):

Diluted loss per share has not been presented as it would be anti-dilutive.

Statements of Cash Flows	Years ended December 31,		
	2001	2000	1999
Cash provided by (used in) operating activities, under Canadian GAAP	$ 5,490	$ 2,751	$ (9,751)
Mineral property exploration and development expenditures (c)	(7,927)	(9,190)	(5,003)
Cash provided by (used in) operating activities, under U.S. GAAP	$ (2,437)	$ (6,439)	$(14,754)
Cash provided by (used in) financing activities, under Canadian GAAP	$ 3,649	$ 3,585	$ (5,801)
Restricted cash from issue of flow-through shares (h)	(691)	-	-
Cash provided by (used in) financing activities, under U.S. GAAP	$ 2,958	$ 3,585	$ (5,801)
Cash used in investing activities, under Canadian GAAP	$ (13,316)	$ (12,403)	$ (25,072)
Mineral property exploration and development expenditures (c)	7,927	9,190	5,003
Cash used in investing activities, under U.S. GAAP	$ (5,389)	$ (3,213)	$ (20,069)
Cash and cash equivalents end of year, under Canadian GAAP	$ 13,493	$ 17,670	$ 20,737
Restricted cash from issue of flow-through shares (h)	(691)	-	-
Cash and cash equivalents end of year, under U.S. GAAP	$ 12,802	$ 17,670	$ 20,737

Item 19 INDEX OF EXHIBITS

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIAL PAGE NUMBER
1.1 (1)	Memorandum and Articles of Incorporation dated January 11, 1983.	
1.2(1)	Memorandum and Articles of Incorporation dated July 17, 1989.	
1.3(1)	Memorandum and Articles of Incorporation dated May 24, 1991.	
1.4(1)	Memorandum and Articles of Incorporation dated August 4, 1994.	
3.1(1)	Indemnity Agreement by and between Red Lion Management Ltd. and Miramar Mining Corporation dated October 14, 1993.	
3.2(1)	Fixed Charge Demand Debenture in the Principal Sum of $20,000,000 Issued by Miramar Con Mine, Ltd. in Favour of Red Lion Management Ltd.	
3.3(1)	Pledge of Shares Agreement by and between Miramar Mining Corporation and Red Lion Management Ltd. dated December 18, 1998.	
3.4(1)	Indemnity dated December 18, 1998 in Favour of Red Lion Management Ltd. by Miramar Mining Canada Limited and Miramar Con Mine, Ltd.	
3.5(1)	Certificate of Registration of a Mortgage by Miramar Con Mine, Ltd. in Favour of Red Lion Management Ltd. dated January 14, 1999.	
3.6(1)	Collective Bargaining Agreement by and between United Steel Workers of America and Miramar Con Mine, Ltd.	
3.7(2)	Giant Mine Acquisition Agreement between Miramar Giant Mine Ltd. and the Department of Indian Affairs and Northern Development dated December 14, 1999.	
3.8(2)	Reclamation Security Agreement dated December 14, 1999.	
3.9(2)	Hope Bay Project Acquisition Agreement between the Corporation and Cambiex Exploration Inc. dated December 3, 1999.	
3.10(2)	First Supplemental Debenture between the Corporation and Northern Orion Explorations Ltd. Dated February 4, 2000.	
3.11(2)	Walter Berukoff Release.	
3.12(2)	Hope Bay Joint Venture Agreement between Miramar Hope Bay Ltd. and Cambiex Exploration Inc. dated April 7, 2000.	
3.13 (3)	Elu property sale agreement to Sherwood Petroleum Ltd.	
3.14 (3)	Reorganization agreement with Northern Orion Explorations Ltd.	
3.15 (3)	Option agreement in favour of 1341180 Ontario Limited	
3.16 (3)	Voting trust agreement in favour of Robert Cross	
3.17 (3)	Agency Agreement with Canaccord Capital Corporation	
3.18 (3)	American Eagle Release	
3.19	Giant Mine Acquisition Agreement Amendment between Miramar Giant Mine Ltd. and DIAND dated November 7, 2001	
3.20	Option letter of intent with Sherwood Mining Corporation dated March 12, 2002	

EXHIBIT NUMBER	DESCRIPTION	SEQUENTIAL PAGE NUMBER
3.21	Agency Agreement with Canaccord Capital Corporation dated March 8, 2002	
3.22	Business combination agreement with Hope Bay Gold Corporation Inc. dated April 5, 2002	
10.1	Consents of Dan Rousseau	
10.2	Consents of Morris Robinson	
10.3	Consents of Dean McDonald	
10.4	Consents of SRK Consulting	
10.5	Consents of Geostat International Inc.	
10.6	Consents of Dave Arthur	
10.7	Consent of KPMG LLP	
99.1	Management Information Circular dated April 12, 2001.	
99.2	2001 Annual Report.	
99.3	Press Release dated January 15, 2002	

(1) Previously filed on the Corporation's annual report for the year ended December 31, 1998 on Form 20-F.

(2) Previously filed on the Corporation's annual report for the year ended December 31, 1999 on Form 20-F.

(3) Previously filed on the Corporation's annual report for the year ended December 31, 2000 on Form 20-F.

Signatures

Pursuant to the requirements of Section 12 of the Securities Exchange Act of 1934, the registrant certifies that it meets all of the requirements for filing on Form 20-F and has duly caused this Registration Statement to be signed on its behalf by the undersigned, thereunto duly authorized.

Dated this 17th day of May, 2002.

MIRAMAR MINING CORPORATION

"Signed"

A. DAVID LONG, Corporate Secretary