

MIRAMAR MINING CORP
Form 6-K
August 12, 2003

FORM 6K

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

Report of Foreign Issuer

Pursuant to Rule 13a-16 or 15d-16 of
the Securities Exchange Act of 1934

For the month of: **August, 2003**

Commission File Number: **0-25672**

MIRAMAR MINING CORPORATION
(Translation of registrant's name into English)

#300 - 889 Harbourside Drive
North Vancouver, British Columbia
Canada V7P 3S1
(Address of principal executive offices)

Indicate by check mark whether the registrant files or will file annual reports under cover Form 20-F or Form 40-F

Form 20-F Form 40-F

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(1):

Indicate by check mark if the registrant is submitting the Form 6-K in paper as permitted by Regulation S-T Rule 101(b)(7):

Indicate by check mark whether by furnishing the information contained in this Form, the registrant is also thereby furnishing the information to the Commission pursuant to rule 12g3-2(b) under the Securities Exchange Act of 1934.

Yes No

If Yes is marked, indicate below the file number assigned to the registrant in connection with Rule 12g3-2(b) 82

SIGNATURE

Pursuant to the requirements of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

SIGNATURE

MIRAMAR MINING CORPORATION
(Registrant)

By: /s/ A. David Long
A. David Long, Corporate Secretary

Dated: August 8, 2003

No securities regulatory authority has expressed an opinion about these securities and it is an offence to claim otherwise. This short form prospectus constitutes a public offering of these securities only in those jurisdictions where they may be lawfully offered for sale and therein only by persons permitted to sell such securities. The securities have not been and will not be registered under the United States Securities Act of 1933. Accordingly, except as permitted under the Underwriting Agreement, these securities may not be offered or sold in the United States of America or to or for the account or benefit of a U.S. person as defined in Regulation S under the U.S. Securities Act of 1933 and this short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of these securities within the United States. See Plan of Distribution. Information has been incorporated by reference in this short form prospectus from documents filed with the securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Miramar Mining Corporation, at 300 889 Harbourside Drive, North Vancouver, British Columbia V7P 3S1, Telephone: (604) 985-2572.

Short Form Prospectus

New Issue

August 7, 2003

MIRAMAR MINING CORPORATION

\$30,030,000
14,300,000 Common Shares
\$2.10 per Common Share

This short form prospectus qualifies the distribution of 14,300,000 common shares (the Shares) of Miramar Mining Corporation (the Company or Miramar) pursuant to an underwriting agreement dated July 28, 2003 (the Underwriting Agreement) between the Company and each of BMO Nesbitt Burns Inc., Canaccord Capital Corporation, Dundee Securities Corporation, Salman Partners Inc., Haywood Securities Inc. and Westwind Partners Inc. (collectively, the Underwriters). The price per Share was determined by negotiation between the Company and the Underwriters. The Company has also granted to the Underwriters an option (the Option), exercisable in whole or in part until 48 hours prior to closing of the offering, to purchase up to an additional 2,400,000 common shares (the Additional Shares) of the Company at the offering price set forth above for further gross proceeds of \$5,040,000. The outstanding common shares of Miramar are listed and posted for trading on the Toronto Stock Exchange (the TSX) under the symbol MAE and on the American Stock Exchange (the AMEX) under the symbol MNG. On August 6, 2003, the closing price of the Company's common shares on the TSX was \$2.14. The TSX has conditionally approved the listing of the Shares and the Additional Shares subject to the Company fulfilling all of the requirements of the TSX on or before October 28, 2003. The Company has applied to list the Shares and the Additional Shares on AMEX. Listing will be subject to the fulfilment by the Company of all the listing requirements of AMEX.

	Price to the Public	Underwriters' Fee⁽¹⁾	Net Proceeds to the Company⁽²⁾
Per Common Share	\$2.10	\$0.105	\$1.995
Total ⁽³⁾	\$30,030,000	\$1,501,500	\$28,528,500
Total if Option fully exercised ⁽³⁾	\$35,070,000	\$1,753,500	\$33,316,500

Notes:

- (1) The Company has agreed to pay to the Underwriters a cash commission equal to 5% of the gross proceeds realized from the sale of the Shares and any Additional Shares. As additional consideration, the Underwriters will receive common share purchase warrants (the Underwriters Warrants) exercisable by the Underwriters for a period of 18 months from the closing of the offering entitling the Underwriters to purchase in the aggregate such number of common shares of the Company (the Underwriters Shares) as is equal to

5% of the number of Shares and Additional Shares sold in the offering at an exercise price of \$2.10 per Underwriters Share. See Plan of Distribution.

- (2) Before deducting expenses of this offering, estimated to be \$200,000.

- (3) The Company has granted to the Underwriters an Option exercisable, in whole or in part, until 48 hours prior to closing of the offering, to purchase up to an additional 2,400,000 Additional Shares.

Edgar Filing: MIRAMAR MINING CORP - Form 6-K

The Underwriters, as principals, conditionally offer the Shares and any Additional Shares, subject to prior sale, if, as and when issued by the Company and accepted by the Underwriters, in accordance with the conditions contained in the Underwriting Agreement referred to under Plan of Distribution and subject to approval of certain legal matters by Gowling Lafleur Henderson LLP, counsel for the Company, and by Fasken Martineau DuMoulin LLP, counsel for the Underwriters.

This short form prospectus qualifies the distribution of the Shares and any Additional Shares issued upon exercise, in whole or in part, of the Option (see Plan of Distribution). This short form prospectus also qualifies the distribution to the Underwriters of the Underwriters Warrants.

Dundee Securities Corporation is a wholly-owned subsidiary of Dundee Wealth Management Inc. Dundee Wealth Management Inc. holds, directly or indirectly, or exercises control or discretion over, more than 10% of the outstanding common shares of the Company. As a result, the Company may be considered to be a related issuer of Dundee Securities Corporation under applicable Canadian securities legislation. See Related Issuer .

The Shares and any Additional Shares will be eligible for investment under certain statutes as set out under Eligibility for Investment herein.

Investment in the Shares or Additional Shares involves a high degree of risk and must be considered speculative due to the nature of the Company s business and the present stage of exploration and development of its mineral properties. See Risk Factors .

It is expected that definitive certificates evidencing the Shares will be available for delivery at closing which is expected to occur on or about August 14, 2003 or such later date as may be agreed to by the Underwriters but in any event no later than September 2, 2003. The Underwriters may effect transactions intended to stabilize or maintain the market price for the common shares of the Company at levels above that which might otherwise prevail in the open market; see Plan of Distribution .

In this short form prospectus, except where otherwise indicated, all references to dollars or \$ are to Canadian dollars.

ii

TABLE OF CONTENTS

ELIGIBILITY FOR INVESTMENT	1
DOCUMENTS INCORPORATED BY REFERENCE	2
FORWARD-LOOKING STATEMENTS AND RISK FACTORS	3
THE COMPANY	4
BUSINESS OF THE COMPANY	4
RECENT DEVELOPMENTS	9
DETAILS OF THE OFFERING	9
CONSOLIDATED CAPITALIZATION	9
USE OF PROCEEDS	9
PLAN OF DISTRIBUTION	10
DESCRIPTION OF SHARE CAPITAL	11
RELATED ISSUER	11
RISK FACTORS	12
LEGAL MATTERS	12
AUDITORS, TRANSFER AGENT AND REGISTRAR	12
PURCHASERS' STATUTORY RIGHTS	13
AUDITORS' REPORT - HOPE BAY GOLD CORPORATION INC	14
AUDITED CONSOLIDATED FINANCIAL STATEMENTS OF HOPE BAY GOLD FOR THE YEARS ENDED DECEMBER 31, 2001 AND 2000	15
UNAUDITED CONSOLIDATED FINANCIAL STATEMENTS OF HOPE BAY GOLD FOR THE PERIODS ENDED MARCH 31, 2002 AND 2001	39
CERTIFICATE OF THE COMPANY	C-1
CERTIFICATE OF THE UNDERWRITERS	C-2

ELIGIBILITY FOR INVESTMENT

In the opinion of Gowling Lafleur Henderson LLP, counsel to the Company, and Fasken Martineau DuMoulin LLP, counsel to the Underwriters, based on legislation in force as of the date hereof and subject to compliance with the prudent investment standards and general investment provisions and restrictions of the statutes referred to below (and, where applicable, the regulations, related guidelines and prescribed criteria thereunder) and, in certain cases, subject to the satisfaction of additional requirements relating to investment or lending policies, standards, written procedures, guidelines or goals and, in certain cases the filing of such policies, standards, written procedures, guidelines or goals, the common shares offered by this short form prospectus, if issued on the date hereof, would not be precluded as investments under the following statutes:

<i>Bank Act (Canada)</i>	<i>The Insurance Act (Manitoba)</i>
<i>Cooperative Credit Associations Act (Canada)</i>	<i>The Trustee Act (Manitoba)</i>
<i>Insurance Companies Act (Canada)</i>	<i>The Pension Benefits Act (Manitoba)</i>
<i>Pension Benefits Standards Act, 1985 (Canada)</i>	<i>Pension Benefits Act (Ontario)</i>
<i>Trust and Loan Companies Act (Canada)</i>	<i>Loan and Trust Corporations Act (Ontario)</i>
<i>Financial Institutions Act (British Columbia)</i>	<i>Trustee Act (Ontario)</i>
<i>Pension Benefits Standards Act (British Columbia)</i>	<i>Insurance Act (Ontario)</i>
<i>Loan and Trust Corporations Act (Alberta)</i>	<i>Trustees Act (New Brunswick)</i>
<i>Alberta Heritage Savings Trust Fund Act (Alberta)</i>	<i>Pension Benefits Act (New Brunswick)</i>
<i>Employment Pension Plans Act (Alberta)</i>	<i>Trust and Loan Companies Act (Nova Scotia)</i>
<i>Insurance Act (Alberta)</i>	<i>Trustee Act (Nova Scotia)</i>
<i>Financial Administration Act (Alberta)</i>	<i>Pension Benefits Act (Nova Scotia)</i>
<i>The Pension Benefits Act, 1992 (Saskatchewan)</i>	<i>Insurance Companies Act (Newfoundland and Labrador)</i>
	<i>Pension Benefits Act, 1997 (Newfoundland and Labrador)</i>

In the opinion of such counsel, as of the date hereof, the Shares are qualified investments for the purposes of the *Income Tax Act (Canada)* (the Tax Act) for trusts governed by registered retirement savings plans, registered retirement income funds, deferred profit sharing plans (collectively, Deferred Income Plans) and for

1

trusts governed by registered education savings plans within the meaning of the Tax Act. In the opinion of such counsel, based in part on a certificate of an officer of the Company as to certain factual matters, the Shares will not, on the date hereof, be foreign property for the purposes of Part XI of the Tax Act for Deferred Income Plans and other persons subject to tax under Part XI of the Tax Act and the Regulations thereunder.

DOCUMENTS INCORPORATED BY REFERENCE

The following documents, filed by the Company with the various securities commissions or similar authorities in each of the provinces and territories of Canada, are specifically incorporated by reference and form an integral part of this short form prospectus:

- (a) the audited comparative financial statements for the fiscal year ended December 31, 2002, together with the notes thereto and the auditors report thereon contained in the Company s 2002 annual report;
- (b) the unaudited comparative interim financial statements for the three months ended March 31, 2003 and the notes thereto contained in the Company s first quarter report, together with the Management s Discussion and Analysis of Financial Condition and Results of Operations for such interim financial statements;
- (c) the management proxy circular dated April 24, 2003 prepared in connection with the annual general meeting of the shareholders of the Company held on May 22, 2003, with the exception of the sections entitled Human Resources Committee Report by Miramar s Human Resources Committee, Performance Graph and Corporate Governance ;
- (d) the annual information form of the Company for the fiscal year ended December 31, 2002, dated May 20, 2003, including the Management s Discussion and Analysis of Financial Condition and Results of Operations for the year ended December 31, 2002 (contained in the Company s 2002 annual report) incorporated therein by reference (Annual Information Form); and
- (e) the material change report dated July 31, 2003 with respect to new developments at the Hope Bay Project and this offering.

Any document of the type referred to in the preceding paragraph and any material change report (excluding confidential reports) filed by the Company with a securities commission or any similar authority in Canada after the date of this short form prospectus and prior to the

completion or withdrawal of this offering shall be deemed to be incorporated by reference into and form an integral part of this short form prospectus. The documents incorporated or deemed incorporated by reference herein contain meaningful and material information relating to the Company and prospective subscribers for Shares or Additional Shares should review all information contained in this short form prospectus and the documents incorporated by reference before making an investment decision.

Any statement contained in a document incorporated or deemed to be incorporated by reference herein or in any subsequently filed document which also is or is deemed to be incorporated by reference herein shall be deemed to be modified or superseded, for purposes of this short form prospectus, to the extent that a statement contained herein, or in any other subsequently filed document which also is or is deemed to be incorporated by reference herein, modifies or supersedes such statement. The modifying or superseding statement need not state that it has modified or superseded a prior statement or include any other information set forth in the document that it modifies or supersedes. The making of a modifying or superseding statement shall not be deemed an admission for any purposes that the modified or superseded statement, when made, constituted a misrepresentation, an untrue statement of a material fact or an omission to state a material fact that is required to be stated or that is necessary to make a statement not misleading in light of the circumstances in which it was made. Any statement so modified or superseded shall not be deemed, except as so modified or superseded, to constitute part of this short form prospectus.

2

Information has been incorporated by reference in this short form prospectus from documents filed with securities commissions or similar authorities in Canada. Copies of the documents incorporated herein by reference may be obtained on request without charge from the Corporate Secretary of Miramar Mining Corporation, at 300 889 Harbourside Drive, North Vancouver, British Columbia V7P 3S1, Telephone: (604) 985-2572.

FORWARD-LOOKING STATEMENTS AND RISK FACTORS

This short form prospectus, and the documents incorporated herein by reference, contain forward-looking statements. Forward-looking statements include, but are not limited to, all statements about the Company's plans, intentions or expectations and statements that are not statements of historical fact. Statements about mineral reserves and resources may also be deemed to be forward-looking statements in that they constitute estimates, based on certain assumptions, of mineralization that may be encountered if a deposit were to be mined. In some cases, forward-looking statements can be identified by the use of 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* or be achieved or other variations of these words or phrases, or other comparable words or phrases.

Forward-looking statements involve known and unknown risks, uncertainties and other factors, which may cause the actual results, performance or achievements of the Company, or industry results, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Such factors include, among others, the following:

risks and uncertainties relating to the interpretation of drills results, the geology, grade and continuity of mineral deposits;

results of initial feasibility or scoping, pre-feasibility and feasibility studies, and the possibility that future exploration, development or mining results will not be consistent with the Company'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; or 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 Company'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;

other risks and uncertainties related to the Company's prospects, properties and business strategy; and

the risks and uncertainties described in this prospectus, including those incorporated by reference, including without limitation those set forth under the heading "Risk Factors" in this prospectus and in the Annual Information Form.

Forward-looking statements are made based upon management's beliefs, estimates and opinions on the date the statements are made and the Company undertakes no obligation to update forward-looking statements if these beliefs, estimates and opinions or other circumstances should change. Investors are cautioned against placing undue reliance on forward-looking statements.

THE COMPANY

Name and Incorporation

Miramar Mining Corporation ("Miramar" or the "Company") was incorporated under the British Columbia *Company Act* by memorandum and articles on January 11, 1983. The memorandum of the Company was amended on July 17, 1989 to change the Company'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. Its head office is located at 300 889 Harbourside Drive, North Vancouver, British Columbia, Canada V7P 3S1, and its registered office is located at Suite 800, 885 West Georgia Street, Vancouver, British Columbia, Canada V6C 3H1.

Reference to the "Company" or "Miramar" includes the Company and its direct and indirect subsidiaries, unless otherwise indicated or the context otherwise requires.

Intercorporate Relationships

The following table sets forth the name of each material subsidiary of the Company as at the date of this prospectus, the jurisdiction of its incorporation and the direct or indirect percentage ownership by the Company in such subsidiary.

Name of Subsidiary	Jurisdiction of Incorporation	Percentage Ownership ⁽¹⁾
Miramar Mining Canada Limited ⁽²⁾	Ontario	100%
Miramar HBG Inc. ⁽³⁾	Quebec	100%
Miramar Con Mine Ltd.	Ontario	100%
Miramar Giant Mine Ltd.	British Columbia	100%
Miramar Hope Bay Ltd.	Northwest Territories	100%
660209 B.C. Ltd.	British Columbia	100%

Notes:

- (1) Represents, in the case of each subsidiary, the percentage of voting shares held directly or indirectly by the Company.
- (2) Miramar Mining Canada Limited is a holding company. It holds 100% of the common shares of Miramar Hope Bay Ltd., Miramar Con Mine Ltd. and Miramar Giant Mine Ltd.
- (3) Miramar HBG Inc. holds 100% of the common shares of 660209 B.C. Ltd., which holds a 50% interest in the Boston 1 and 5 mineral claims. Miramar Hope Bay Ltd. holds the remaining 50% interest in the Boston 1 and 5 mineral claims.

BUSINESS OF THE COMPANY

The Company is a Canadian mineral production and exploration enterprise which owns the Hope Bay gold exploration project in Nunavut and the Con and Giant operating gold mines in Yellowknife, Northwest Territories.

Hope Bay Project

The Company, through its 100% owned subsidiaries, Miramar Hope Bay Ltd. (Miramar Hope Bay) and Miramar HBG Inc. (Miramar HBG), owns and operates the Hope Bay Project, a gold exploration project located in Nunavut, Canada.

The Hope Bay Project comprises a group of concession agreements with Nunavut Tunngavik Incorporated, the incorporated body representing the Inuit people of Nunavut, and federal mineral claims and mining leases located in Nunavut, 65 km east of Bathurst Inlet and 685 km northeast of Yellowknife. The Hope Bay Project area

4

comprises an area of 1,078 km² and forms one continuous block that is approximately 80 km long by up to 20 km wide. Personnel, supplies and equipment are flown into the site, generally from Yellowknife using float, wheel or ski-equipped aircraft. 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 Company acquired 50% of its interest in the Hope Bay Project in December 1999 through Miramar Hope Bay. The Company acquired the other 50% of its interest in a business combination with Hope Bay Gold Corporation Inc. (Hope Bay) consummated on May 23, 2002. See the audited consolidated financial statements of Hope Bay for the years ended December 31, 2001 and 2000 and unaudited interim consolidated financial statements of Hope Bay for the periods ended March 31, 2002 and 2001, all of which financial statements are included herein.

Miramar has planned a major exploration program for the Hope Bay Project in 2003 comprised of 43,000m of core drilling and 4,500m of reverse circulation drilling. The majority of this work was targeted to focus on the favourable 11km long Deformation Zone trend in the Madrid area and related structures. The second major component of the exploration was a proposed 9,000m preliminary evaluation of the depth potential of the Boston deposit. Including approximately \$1.3 million on permitting and feasibility work related to the Doris North development project, expenditures at the Hope Bay Project are anticipated to total approximately \$17.3 million in 2003.

Drilling at Madrid commenced in February 2003 and, by the end of May, a 67 hole program (totalling approximately 21,800m of drilling) was completed that focused on extending known deposits located along the Deformation Zone and on evaluating untested portions of the Deformation Zone. Drilling tested for depth and strike extensions to the Suluk Zone, discovered in 2001, the newly discovered Marianas and Rand Spur areas, and favourable untested sections of the Deformation Zone between these occurrences and to the south. The most significant results from this Madrid program came from the Suluk area, where drilling in the first half of 2003 increased the strike extent of gold mineralization from 400m to 500m and the depth extent from 250m to more than 500m. This drilling defined a 10-20m thick zone of moderate grade gold mineralization that suggests potential for a large scale, bulk underground mining operation where the economics of scale could allow the economic extraction of substantially larger quantities of gold mineralization, albeit at lower overall grades than previously considered. The potential economic parameters to be applied to such a scenario will be determined as scoping studies progress.

Significant gold values were also encountered in the South Suluk and Marianas areas at Madrid, while anomalous gold values were also encountered in a number of other areas along the Madrid trend, including the Rand Spur, Patch 7 and Bend areas.

The deep drilling program at Boston commenced in mid-March 2003 but got off to a slow start due to excessive and unanticipated deviation in the holes. The causes of these initial problems were identified and addressed by the drilling contractor, and coring thereafter proceeded as anticipated. By late July 2003, Miramar had completed three deep holes at Boston, the results of which lead Miramar to believe that it has confirmed that Boston-style alteration and gold mineralization continues to depths of in excess of 1,000m below surface and can be traced over a strike length of more than 600m. Miramar believes the geology indicates that the alteration zone widens to depth and that it contains quartz veining and gold mineralization analogous to that seen in the B2, B3 and B4 Zones in the upper parts of the Boston system. The results of the first three deep drill holes suggest that there is potential to extend the Boston system at depth over a significant strike length, and to delineate good grade gold mineralization over these areas. The latest Boston drill hole, S03-294, stepped out 450m to the south of the deep high grade intercept in hole S03-293 and intersected significant gold mineralization within zones of alteration and quartz veining which appear to correlate with both the B2 and B3 Zones. The B2 and B3 Zones host virtually all of the gold resources at the Boston deposit, which is one of three major mineralized centres on the Hope Bay belt.

Edgar Filing: MIRAMAR MINING CORP - Form 6-K

The first two deep holes drilled at Boston, S03-290/290W and S03-293, intersected zones of alteration and quartz veining which seem to correlate with both the B2 and B3 Zones, which host virtually all of the mineral resources at Boston. In addition to extending the zones of alteration, one of the holes intersected significant high grade gold mineralization while the other intersected widespread anomalous gold values, both within a broad zone of alteration. The alteration package appears to be widening at depth and it contains quartz veining and gold mineralization similar to the main zones and upper parts of the B2, B3 and B4 Zones of the Boston system. Hole S03-290W intercepted alteration and mineralization zones tentatively correlated with the B2, B3 and B4 Zones at

5

significantly greater depths than previously tested, with associated anomalous gold values. Hole S03-293 intercepted a zone of high grade gold mineralization, including abundant visible gold, within a broader zone of anomalous gold values and alteration that is believed to correlate with the B2 Zone some 300-500m above.

A number of mineralized zones have also been intercepted in the portions of drill holes S03-295 and S03-295W completed to date, with local significantly anomalous gold values. These zones are all contained within sediments to the east of the main mineralized trends at Boston. Of particular interest is a new discovery of a zone of blue quartz veins intersected in both the initial hole (at approximately 635-645m) and the wedged hole (at approximately 561m). A similar horizon was intersected in drill hole S03-293 at approximately 900m. These parallel zones suggest that there may be potential for significant gold mineralization in the sediments east of the volcanics that host all the currently known gold zones at Boston. Drilling is continuing.

The summer exploration program at Hope Bay commenced in mid-July 2003 and focuses on the Madrid and Boston areas, with some exploration continuing in a number of other areas. Major components of the summer program are outlined below.

1. Drilling at the Suluk Zone is currently underway to test the potential to extend the mineralization along strike and to depth as there has been only limited drilling below 300m and Miramar considers that excellent potential remains to expand the Suluk Zone both along strike and to depth.
2. Drilling will also test the potential of the Rand Spur zone, where a more than 50m-thick zone of gold mineralization and alteration, similar in style to that of the Suluk Zone, hosted in similar rocks, was intersected in 2003. While grades were lower than Suluk, the results are similar to those from the first pass drilling in the Suluk area; the results suggest that Rand Spur warrants additional testing.
3. Deep drilling continues at Boston, where a fourth hole, targeting 350-400m below previous intercepts, is expected to approach its target depth in August 2003. An additional hole has been commenced as a pilot hole that will facilitate the drilling of multiple intercepts off the pilot hole into the target B2 horizon through the use of wedges and directional drilling equipment.
4. Geologic mapping, sampling and prospecting is underway to assess a number of target areas for their potential to host new deposits, with the objective of defining drill targets. These areas include the South Nexus, Gas Cache and Boston NE targets defined by previous reverse circulation drilling.

Drilling and other exploration activities are expected to continue throughout the summer. Currently planned drilling totals approximately 8,000m in the Madrid area, with approximately 2,000m held in reserve and allocated as results warrant. Madrid drilling and other summer exploration programs are anticipated to cost approximately \$4.5-5.0 million, depending on the number of meters actually drilled. Boston drill meterage and budgets will be determined on an on-going basis.

All resource estimates previously disclosed by the Company were completed or audited by external consultants. Following new drilling results at the Suluk deposit combined with revised interpretations of the geology in the Suluk area, some of the intercepts previously ascribed to the Suluk West, Central and East Lenses have been reassigned to the newly interpreted Suluk Footwall Zone. This reassignment will result in decreases to the resources of the Suluk West, Central, and East Zones which decreases should be offset by the addition of resources in the newly discovered Suluk Footwall Zone. Drilling in the Suluk area is currently in progress, delineating the new zone. A revised resource estimate is expected to be completed before the end of 2003.

The scoping study evaluating the potential for an extension of the operating life of the high grade Doris North operation, by incorporating the Doris Connector and Doris Central area resources, is progressing and should be completed by the end of September 2003. As a result of the developments at both Boston and Suluk, the scoping studies previously announced for these areas have been deferred until the true size and nature of these deposits is better understood, as it would appear that significantly larger developments than originally contemplated may warrant consideration.

At the end of January 2002, Miramar filed a draft Environmental Impact Statement (EIS) with the Nunavut Impact Review Board (NIRB) for the development of the high-grade Doris North project at Hope Bay.

The filing of the draft EIS initiated the formal review process by NIRB, and comments on the draft EIS have now been received. Miramar believes that none of the matters raised in the comments received on the draft EIS will prevent the Doris North project from proceeding towards production. Miramar anticipates collecting additional information during the summer of 2003 and filing a final EIS in the fall of 2003. Miramar believes that permits will not be issued until the first half of 2004. Miramar is evaluating options to reschedule the planned mine development, which could allow for production to commence at Doris North in the fall of 2005, approximately six months later than previously anticipated, subject to obtaining all permits on acceptable terms and arranging required financing following a positive production decision being made.

Miramar's gold mineral reserves at the Doris North development project are estimated as follows as at December 31, 2002:

Category ⁽¹⁾	Tonnes	Grade g/t	Contained oz (000s)
Probable	458.2	22.0	323.9

Note:

(1) Calculated at a gold price of US\$325 per ounce. Includes 39% total mining dilution and 95% mining extraction.

Con Mine

The Company, through its 100% owned subsidiary, Miramar Con Mine Ltd. (Con Ltd), owns and operates the Con Mine, an underground gold mine located near Yellowknife, Northwest Territories, Canada. The Con Mine has operated for 58 of the 65 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.

Miramar purchased Con Ltd. 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, Con Ltd. 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, Con Ltd. 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 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 the strike in April 1999, Con Ltd. 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 300 tons per day bringing total Con Mine production to 900 tons per day.

Gold production from the Con Mine was 102,880 ounces in 2000, 104,798 ounces in 2001 and 98,037 ounces of gold in 2002. During the quarter ended March 31, 2003, the Con Mine produced 23,383 ounces of gold.

Cash operating costs for the Company's combined Yellowknife operations (Con and Giant mines) were US\$264 per ounce, US\$257 per ounce and US\$246 per ounce for the 2000, 2001 and 2002 fiscal years, respectively. For the first three months of 2003, cash operating costs were US\$314 per ounce.

A number of issues affected the Con Mine during the second quarter of 2003. On May 2, 2003 the mill temporarily ceased processing ore as the freeboard level in the tailings pond rose at a rate quicker than it could be discharged. There was no spill or discharge into the environment of effluent, as all effluent was contained within the tailings pond. The water treatment plant commenced operation on April 30, 2003 and reduced water levels in the tailings pond sufficiently to allow the mill to resume operation on May 24, 2003. Mining continued throughout the period and, with the excess processing capacity available in the mill, Miramar anticipates processing all stockpiled free mill ore by the end of the third quarter of this year. At the Con Mine second quarter production was also adversely affected by shortfalls in grade and tonnage from the free milling ore and the refractory AW Trend ore. Miramar has initiated an active review of the Con Mine operations to assess whether a sustainable level of positive

cash flow from its gold production can be achieved. The results of this review will be available during the third quarter of 2003.

As a result of the recent operating challenges at the Con Mine, the Company anticipates that the second quarter financial performance and the carrying value of the Con Mine will be negatively impacted. The Company anticipates reporting a loss for the second quarter. The net book

Edgar Filing: MIRAMAR MINING CORP - Form 6-K

value for the Con Mine for property, plant and equipment (excluding the Bluefish hydroelectric facility which was sold on April 4, 2003) and materials and supplies inventory at March 31, 2003 was \$14.2 million.

On May 14, 2003 Miramar and its subsidiary Con Ltd. were notified that they had been charged under the Northwest Territories Waters Act with the unlawful deposit of tailings effluent at the Con Mine in 2001 and 2002 and failing to comply with the Con Mine water licence. These incidents are unrelated to the freeboard tailings pond issues in the second quarter of 2003. These charges have not had and are not expected to have a material adverse affect on the operation of the Con Mine. Counsel for the Company and Con Ltd. are currently gathering evidence and analyzing the particulars of the alleged offences in order to advise the Company and Con Ltd. in relation to responding to the charges.

Giant Mine

The Company, through its 100% owned subsidiary, Miramar Giant Mine Ltd. ("Giant Ltd."), owns and operates the Giant Mine located near Yellowknife, Northwest Territories and near the Company's Con Mine.

Giant Ltd. acquired the Giant Mine including its mineral assets, plant and equipment on December 14, 1999 from the Department of Indian and Northern Development (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 Giant Ltd. from all environmental liabilities related to operations of the Giant Mine prior to the acquisition of the mine by Giant Ltd. Giant Ltd. has issued promissory notes totalling \$6.8 million as security against the reclamation costs of Giant Mine. The notes are secured solely by the assets of the Giant Mine and are only due on default of the Giant Mine water licence.

The agreement between Giant Ltd. and DIAND provided that Giant Ltd. could elect to transfer the mine back to DIAND after operating the mine for two years. Giant Ltd. notified DIAND that it would return the Giant Mine effective December 14, 2001; however, an agreement was reached with DIAND to amend the existing agreement to extend Giant Ltd. 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 at a rate of \$300,000 per month. These costs were previously borne by Giant Ltd.

The Giant Mine produced 21,510 ounces of gold in 2000, 25,361 ounces in 2001 and 23,889 ounces of gold in 2002. In the first quarter of 2003, the Giant Mine produced 4,854 ounces of gold. In the second quarter of 2003, a shortfall in both mined grade and tonnage at Giant Mine resulted from delays in development work at the mine; however, it is expected that the shortfall will be processed in the second half of 2003.

Other

The Company owns approximately 2.0% of Northern Orion Exploration Ltd. (Northern Orion), a TSX listed company with various interests in mineral properties located in Latin America.

In August 2001, Miramar Hope Bay and Hope Bay sold to Sherwood Mining Corporation (Sherwood), a TSX Venture Exchange listed company, approximately 10,000 hectares in 11 Crown mineral claims on the Elu greenstone belt (the Elu Belt) in Nunavut in exchange for the issuance of common shares and common share purchase warrants of Sherwood. As a result of these transactions, and following the business combination with Hope Bay, the Company indirectly owns approximately 40.2% of the issued and outstanding shares of Sherwood and holds warrants which, if exercised, would increase the Company s ownership to 57.4% of Sherwood based on its existing issued and outstanding share capital. The warrants are exercisable to purchase 10,000,000 common shares of Sherwood at a price of \$0.25 per share until August 14, 2003. In the event that Miramar exercised the warrants, Sherwood would become a subsidiary of the Company, and the Company would be required to consolidate Sherwood s financial results. Miramar does not currently intend to exercise these warrants.

RECENT DEVELOPMENTS

Private Placement

On June 26, 2003, Miramar completed the sale by way of private placement to Canadian investors of 3,572,000 flow-through common shares at \$2.10 per share for gross proceeds of \$7,501,200. Miramar will use the proceeds of the private placement to incur Canadian Exploration Expenditures as defined in the Tax Act. Miramar will renounce the tax deductions in relation to such expenditures to the investors, enabling them to reduce their Canadian taxable income by the purchase price of the flow-through common shares. Miramar paid commissions of \$437,850 and issued brokers warrants to purchase 208,500 common shares for one year at \$2.10 per share to a Canadian registered securities dealer for its services in relation to the private placement. The distribution of these common shares was not qualified by a prospectus and, as a

Edgar Filing: MIRAMAR MINING CORP - Form 6-K

result, such shares are subject to a statutory hold period until October 27, 2003.

DETAILS OF THE OFFERING

The offering consists of 14,300,000 Shares. For a description of the attributes of the Shares, see Description of Share Capital . In addition, the Underwriters have the Option to purchase up to an additional 2,400,000 Additional Shares.

CONSOLIDATED CAPITALIZATION

The following table sets forth the capitalization of the Company at specified dates and as adjusted to give effect to this offering. See Description of Share Capital and, for a description of the private placement giving rise to a change in the share capital of the Company since December 31, 2002, see Recent Developments .

Capital	Outstanding at December 31, 2002	Outstanding at March 31, 2003	Outstanding as at March 31, 2003 after giving effect to this offering ⁽¹⁾
Common Shares (authorized - 500,000,000 shares)	\$313,808,000 (123,143,673 shs)	\$312,421,000 (123,447,466 shs)	\$348,587,389 ^{(1),(2)} (141,916,996 shs) ^{(1),(2)}
Contributed Surplus	\$688,000	\$688,000	\$688,000

Notes:

- (1) Reflects the issuance of 14,300,000 Shares pursuant to this offering less the Underwriters fee and estimated expenses of the offering, but excludes the 2,400,000 Additional Shares which may be issued upon exercise of the Option. See Plan of Distribution. Also reflects the issuance of 3,572,000 flow-through common shares of the Company at a price of \$2.10 per flow-through common share on June 26, 2003, less the agent s fee and expenses of that private placement. See Recent Developments . Includes 597,530 common shares issued under warrants or stock options exercised after March 31, 2003 and prior to the date of this prospectus.
- (2) Excludes an aggregate of 6,529,416 common shares of the Company reserved for issuance upon the exercise of options granted to certain of the Company s executive officers, directors and employees (2,915,939 shares); upon exercise of options granted by Hope Bay to its executive officers, directors and employees and assumed by the Company on completion of the business combination with Hope Bay (2,128,650 shares); and upon the exercise of previously issued brokers warrants (1,484,827 shares). Also excluded are the up to 835,000 common shares reserved for issue upon the exercise of the Underwriters Warrants, assuming the Underwriters exercise the Option, which Underwriters Warrants will be issued at the closing of this offering.

USE OF PROCEEDS

The gross proceeds to be received by the Company from the issue and sale of the Shares will be \$30,030,000, (\$35,070,000 if the Option is fully exercised). The net proceeds to be received by the Company will be \$28,328,500, (\$33,116,500 if the Option is fully exercised) after payment of the Underwriter s fee of \$1,501,500 (\$1,753,500 if the Option is fully exercised) and after deducting expenses of the issue estimated at \$200,000. The Company intends to use the net proceeds of the offering for exploration and, if warranted, development, of the Hope Bay Project and, since additional specific projects, potential acquisitions and other corporate initiatives have not yet been identified, as general working capital.

9

Cash flow, if any, from operations and the proceeds, if any, realized on the exercise of outstanding warrants and options will also be added to working capital. Miramar intends to retain these funds as a reserve to cover any future cash shortfalls, or to provide additional capital to commence new, or expand currently planned, exploration programs. Pending such uses, the net proceeds will be invested in interest bearing, investment grade securities.

The amount actually expended for the purposes described above could vary significantly depending on, among other things, the progress of the Company s exploration programs. The Company intends to use the funds as stated in this prospectus; however, there may be circumstances where for sound business reasons a re-allocation of funds may be necessary. Accordingly, management of the Company will have broad

discretion in the application of the proceeds of the offering.

PLAN OF DISTRIBUTION

The Offering

Under an agreement (the Underwriting Agreement) dated July 28, 2003 between the Company and BMO Nesbitt Burns Inc., Canaccord Capital Corporation, Dundee Securities Corporation, Salman Partners Inc., Haywood Securities Inc. and Westwind Partners Inc. (collectively, the Underwriters) as underwriters, the Company has agreed to sell, and the Underwriters have severally agreed to purchase, as principal, on or about August 14, 2003 or such later date as may be agreed to by the Underwriters but in no event later than September 2, 2003 (the Closing Date), 14,300,000 Shares at a price of \$2.10 per Share for gross proceeds of \$30,030,000. The Company has also granted the Underwriters the Option, exercisable in whole or in part at the sole discretion of the Underwriters until 48 hours prior to the time of closing on the Closing Date, to purchase up to an additional 2,400,000 Additional Shares at a price of \$2.10 per Additional Share.

The offering price of the Shares offered by the Underwriters was determined by negotiation between the Company and the Underwriters.

The TSX has conditionally approved the listing of the Shares and the Additional Shares subject to the Company fulfilling all of the requirements of the TSX on or before October 28, 2003. The Company has applied to list the Shares and the Additional Shares on AMEX. Listing will be subject to the fulfilment by the Company of all the listing requirements of AMEX.

Qualification of Securities for Distribution

This short form prospectus qualifies the distribution of the Shares and the Additional Shares. This short form prospectus also qualifies the distribution to the Underwriters of the Underwriters Warrants.

Appointment of Underwriters

Under the Underwriting Agreement, the Company agreed to pay to the Underwriters a fee equal to 5% of the gross proceeds of the offering and to reimburse the Underwriters for certain expenses relating to this offering. In addition, the Underwriters will receive on closing Underwriters Warrants exercisable for a period of 18 months from the closing, entitling the Underwriters to purchase in the aggregate such number of Underwriters Shares as is equal to 5% of the total number of Shares and Additional Shares sold pursuant to the offering at a price equal to \$2.10 per Underwriters Share. If all the Shares and Additional Shares are sold, the Underwriters will receive Underwriters Warrants exercisable to purchase an aggregate of 835,000 Underwriters Shares.

The obligations of the Underwriters under the Underwriting Agreement are several and may be terminated at their discretion upon the occurrence of certain stated events, including an event, action, state, condition or major financial occurrence of national or international consequence involving, among other things, the financial markets. The Underwriters are, however, obligated to take up and pay for all of the securities if any of the securities are purchased under the Underwriting Agreement.

The Company also agreed to indemnify the Underwriters and their directors, officers, employees and agents against certain liabilities and expenses or will contribute to payments that the Underwriter may be required to make in respect thereof. The Company has further agreed that it will not, for a period of 90 days from the Closing

Date without prior written consent of BMO Nesbitt Burns Inc., authorize, issue or sell any common shares of the Company or securities convertible into common shares of the Company, subject to certain exceptions.

Pursuant to the policies of certain Canadian securities regulatory authorities, the Underwriters may not, throughout the period of distribution under this prospectus, bid for or purchase common shares of the Company. The foregoing restriction is subject to certain exceptions. The Underwriters may rely on such exceptions on the condition that the bid or purchase is not engaged in for the purpose of creating actual or apparent active trading in, or raising the price of, the common shares. These exceptions include a bid or purchase permitted under the by-laws and rules of the TSX relating to market stabilization and passive market making activities and a bid or purchase made for and on behalf of a customer where the order was not solicited during the period of distribution. Subject to the foregoing, the Underwriters may over-allot or effect

Edgar Filing: MIRAMAR MINING CORP - Form 6-K

transactions in connection with this offering intended to stabilize or maintain the market price of the common shares at levels above that which might otherwise prevail in the open market. Such transactions, if commenced, may be discontinued at any time.

Offerings in the United States

The Shares and any Additional Shares have not been and will not be registered under the United States Securities Act of 1933, as amended (the 1933 Act), or the securities laws of any state, and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as defined in Regulation S under the 1933 Act). The Underwriting Agreement provides that the Underwriters will not offer or sell the Shares or the Additional Shares in the United States or to, or for the account or benefit of, U.S. persons, except that the Underwriters may, through certain of their U.S. broker-dealer affiliates designate accredited investors (as defined in Rule 501(a) of Regulation D under the 1933 Act) to which the Company will sell common shares in transactions that comply with the exemption from registration provided by Rule 506 under the 1933 Act. This short form prospectus does not constitute an offer to sell or a solicitation of an offer to buy any of such securities in the United States.

In addition, until 40 days after the commencement of this offering, an offer or sale of Shares and Additional Shares within the United States by any dealer, whether or not participating in this offering, may violate the registration requirements of the 1933 Act if such offer or sale is made otherwise than in accordance with an available exemption under the 1933 Act.

Certificates representing any securities which are sold in the United States or to or for the account or benefit of a U.S. person will bear a legend to the effect that the securities represented thereby are not registered under the 1933 Act and may only be offered or sold pursuant to certain exemptions from the registration requirements of the 1933 Act.

DESCRIPTION OF SHARE CAPITAL

The Company'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 Company, whether voluntary or involuntary, or any other distribution of the assets of the Company among its shareholders for the purpose of winding up its affairs after the Company has paid out its liabilities. The Company's issued shares are not subject to call or assessment rights or any pre-emptive or conversion rights. The holders of the Company's common shares are entitled to one vote for each share on all matters voted on at a meeting of the members. There are no provisions for redemption, purchase for cancellation, surrender or purchase funds.

RELATED ISSUER

The Company may be considered under applicable legislation to be a related issuer of Dundee Securities Corporation, one of the Underwriters participating in the offering. Dundee Securities Corporation is a wholly-owned subsidiary of Dundee Wealth Management Inc., which holds, directly or indirectly, or exercises control or direction over more than 10% of the outstanding common shares. The decision to distribute the Shares and the determination of the terms of the distribution were made through negotiations between the Underwriters and the Company. BMO Nesbitt Burns Inc. played a principal role in the structuring and pricing of the offering and in due

11

diligence performed by the Underwriters in connection with the offering. Dundee Securities Corporation will not receive any benefit in connection with the offering other than its respective portion of the Underwriters' fee and the Underwriters' Warrants referred to herein payable and issuable, as the case may be, by the Company to the Underwriters.

RISK FACTORS

An investment in the securities offered hereby involves a high degree of risk and must be considered speculative due to the nature of the Company's business and the present stage of exploration and development of its mineral properties.

Prospective purchasers of the securities offered hereby should give careful consideration to the risk factors contained in the Annual Information Form incorporated herein by reference. These risk factors include the Company's history of losses; requirement for and uncertainty of access to additional capital; exploration and mining risks; dependence on the efforts and abilities of the Company's management and upon its

consultants, engineers and others for exploration, development, construction, and operating expertise; volatility of gold prices; risk of changes to applicable government regulations relating to the mining industry or to their application; risk of changes to environmental or conservation legislation, regulation or policy; impact of aboriginal land claims; uncertainty in mineral reserve or resource estimates; risk of dilution arising from the exercise of outstanding options and warrants; uncertainty in the integration of Hope Bay's operations; work stoppages; competition in the precious metals industry; extreme weather conditions; risks associated with the acquisition of title to mineral properties; conflicts of interest arising from common directorships or office holdings between the Company and other natural resource companies or suppliers; fluctuations in the price of gold and currency exchange rate between Canadian dollars and U.S. dollars; inability to economically or fully insure against certain risks; risks arising from the use of commodity instruments to protect the selling price of certain anticipated gold production, with such instruments currently having a negative fair value; risks associated with a contingent liability arising from a re-assessment by Canada Customs and Revenue Agency in respect of a joint exploration transaction entered into in 1995; and risks associated with certain charges relating to the unlawful deposit of tailings effluent at the Con Mine.

During the second quarter of 2003, the Con Mine did not perform to the Company's expectations. As a result of continued negative performance, the Company is reviewing its mine operating plans, the consequence of which may be to reduce the carrying value of the Con Mine. This would have an adverse effect on the Company's earnings. Additionally, if the forecast production from the Con Mine is not cash flow positive, the Company may cease mining operations from the Con Mine earlier than currently planned, although the Con Mine mill and surface facilities would continue to operate to process all of the ore produced at the Giant Mine. If the Con Mine is closed, the Company will be required to accelerate its payment of certain closure liabilities.

LEGAL MATTERS

Certain legal matters relating to the issue and sale of the securities offered hereby will be passed upon for the Company by Gowling Lafleur Henderson LLP and for the Underwriters by Fasken Martineau DuMoulin LLP. As at July 28, 2003, partners of Gowling Lafleur Henderson LLP and Fasken Martineau DuMoulin LLP as a group, own less than 1% of the outstanding common shares of the Company.

AUDITORS, TRANSFER AGENT AND REGISTRAR

The auditors of the Company are KPMG LLP, 777 Dunsmuir Street, Vancouver, British Columbia, Canada V7Y 1K3.

The registrar and transfer agent for the Shares is Pacific Corporate Trust Company at its principal offices in Vancouver and Toronto.

PURCHASERS' STATUTORY RIGHTS

Securities legislation in certain of the provinces of Canada provides purchasers with the right to withdraw from an agreement to purchase securities. This right may be exercised within two business days after receipt or deemed receipt of a prospectus and any amendment. In several of the provinces, the securities legislation further provides a purchaser with remedies for rescission or, in some provinces, damages if the prospectus and any amendment contains a misrepresentation or is not delivered to the purchaser, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province for the particulars of these rights or consult with a legal adviser.

