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Miramar Mining Corporation

July 30, 1990

Harold F. Bonham Jr.
Mineral Resources
Nevada Bureau of Mines and Geology
University of Nevada
RENO, Nevada
89557-0088 USA

Dear Sir:

Re: Flowery Gold Mine, Virginia City, Nevada

Please find enclosed a copy of a recent news release regarding the results of a recently completed independent evaluation of the Flowery Gold-Silver Mine. The Flowery Mine is owned 60% by Miramar Mining Corporation (a VSE listed company, symbol MAE-V), and 40% by American Eagle Resources Inc. I thought this information might be useful for your annual review of the industry in Nevada. In brief, the most pertinent points are as follows:

- o The Property is located 25 miles southeast of Reno, Nevada, and about 5 miles east of Virginia City and the famous Comstock Lode Mining District.
- o The property consists of two private parcels of land, 6 patented and 168 unpatented claims. Ownership is 60% Miramar Mining, 40% American Eagle; Miramar and American Eagle are jointly controlled and Miramar owns 16% of American Eagle - for practical purposes, the property has a single owner.
- o Currently identified reserves and resources amount to 29.3 million tons grading 0.040 oz/ton gold in near surface oxide material, containing 1.16 million ounces of gold.
- o There is significant potential for additional reserves of both oxide and sulphide material. Sulphides occur both as "bonanza" grade lodes and intrusive hosted disseminations.
- o The recoverable gold:silver ratio is 1:11, grades listed above do not include any gold equivalent for the silver (which would add about 0.006 oz/ton, taking a gold:silver price ratio of 75:1).



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- o The operation is fully permitted for mining. Current operations began in late 1989 and include a conventional open pit mine with heap leach pads, ponds, a Merrill-Crowe recovery circuit and a smelter to produce dore.
- o The area has been contract mined until July 31, 1990 when the companies elected to terminate the contract. During the last few months, Miramar has identified a substantial increase in resources and hence operations need to be expanded. Miramar has little interest in operating, and so would be interested in either finding an operating joint venture partner or the outright sale of the property.
- o The contractor is facing financial difficulties; the mining equipment which is not owned by Miramar may also be available.
- o Miramar retained John Schilling, former Director of the Nevada Bureau of Mines, to prepare a geologic review of the property. His report, dated July 18, 1990, categorized proven and probable reserves of 6.3 million tons grading 0.043 oz/ton gold and possible and inferred reserves of 23.0 million tons grading 0.039 oz/ton gold.
- o From October 1, 1989 to June 1, 1990, ore mined totalled 176,654 tons. Recovery to June 1, 1990 has been 3,227 ounces of gold and 36,135 ounces of silver. Additional gold and silver will be recovered as leaching continues.

I have also enclosed a colour brochure that gives some details of the Flowery operation and also for Miramar's joint venture with Newmont Exploration, also in Nevada.

For further information, please contact the writer.

Yours truly,
MIRAMAR MINING CORPORATION

Stephen P. Quin
Vice President



Miramar Mining Corporation

July 18, 1990

Trading Symbol: MAE-V

NEWS RELEASE 90-08

Flowery Gold Mine, Nevada

(Miramar Mining 60% - American Eagle Resources 40%)

Miramar Mining Corporation has received an independent consulting geologists report that substantially increases the potential resource base at the Flowery Mine. The report was prepared by John Schilling, a mining geologist with 40 years experience as an economic geologist and recently retired from 14 years as the head of the Nevada Bureau of Mines and Geology, the Nevada state geologic survey. The Schilling Report contains the following reserve estimates:

SUMMARY OF FLOWERY OXIDE RESERVES

<u>Category</u>	<u>Reserves</u> <u>(Tons)</u>	<u>Gold</u> <u>(Contained Oz)</u>	<u>Silver</u> <u>(Contained Oz)</u>
Proven	358,000	20,525	At 11 Ag:1 Au
Probable	5,950,000	251,400	"
Possible	3,880,000	179,700	"
Inferred	19,129,000	708,200	"
TOTAL:	29,308,000	1,159,825	12,758,075


The proven reserves lie mostly in the Lady Bryan and Berry areas. The Lady Bryan is the area currently being actively open pit mined, while the Berry is a nearby strike extension of the Lady Bryan area. Proven reserves are defined by sufficiently closely spaced drilling and sampling to give a high degree of confidence in the continuity and grade of the block. These two areas also contain additional reserves in the probable category (2.9 million tons), with the balance of the probable reserves lying in the Bonanza zone (2 million tons). The Bonanza zone was the target of a drill program by the Company in December 1989. Probable reserves are defined by less closely spaced drilling, but where there is little risk of failure of continuity.

Possible reserves lie both on strike and down dip of all the above mentioned areas, as well as in the Josephine and North Extension areas. The possible reserves are in mineralized areas widely spaced drill hole, sampling and some geophysics and geochemistry, with reasonable projections based on the geologic knowledge available.

The large inferred resource is based on undrilled, unsampled speculative potential based solely on geologic data, including geophysical, geochemical and/or structural factors. One such area is the "Connection", linking the Berry and Bonanza area, where the Flowery Lode has been traced geologically and by geochemistry, but is largely unexplored and is poorly understood at this stage. Several other similar areas remain to be explored.

This significant increase in the reserve potential of the Flowery Mine, combined with the fully permitted, operating status of the mining operation, considerably enhances the value of Miramar's 60% share of the Flowery Mine.

ON BEHALF OF THE BOARD OF DIRECTORS


Stephen P. Quin
Vice President & Director

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