

# HRG



HIGH RIVER GOLD

**High River Gold Mines Ltd.**

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**PRESS RELEASE**

**TSX:HRG**

**HIGH RIVER GOLD ENTERS INTO SUPPORT AGREEMENT WITH SEVERSTAL**

**Toronto, June 16, 2009** - The Board of High River Gold Mines Ltd. (“High River” or the “Company”) announced today that High River has entered into a support agreement (the “Support Agreement”) with Lybica Holding B.V. (“Lybica”), an affiliate of ZAO Severstal Resources, the mining division of OAO Severstal (“Severstal”), in connection with the proposed acquisition by Severstal of all of the common shares (the “Common Shares”) of High River. Under the terms of the Support Agreement, Lybica will offer to acquire, by way of a take-over bid, all of the issued and outstanding Common Shares (excluding the Common Shares currently controlled by Severstal) for cash at a price of C\$0.22 per Common Share (the “Offer”).

The Special Committee of the independent members of the Board of Directors of the Company have unanimously determined that the Offer is fair to minority shareholders and is in the best interests of the Company and Paradigm Capital Inc., acting as an independent appraiser, has provided a valuation and fairness opinion to the Special Committee that the consideration under the Offer is fair, from a financial point of view, to the Company’s minority shareholders. Based on this conclusion, the Board of Directors (with Severstal nominees abstaining) unanimously recommends that shareholders accept the Offer.

The take-over bid circular, containing the full terms of the Offer, will be sent to the Company’s shareholders, together with the directors’ circular and other related documents in connection with the Offer, on or about June 22, 2009.

Severstal currently controls 312,771,130 Common Shares, representing approximately 53% of the outstanding Common Shares, and following completion of the previously announced private placement of 59,019,367 additional newly issued Common Shares, will control approximately 57.3% of the outstanding Shares.

The Offer is subject to certain conditions that are required to be satisfied prior to take-up and payment by Lybica; however, there is no minimum tender requirement.

High River may terminate the Support Agreement under certain circumstances, including if the Board of Directors determines in good faith that it has received a Superior Proposal (as such term is defined in the Support Agreement). If High River terminates the Support Agreement in order to accept a Superior Proposal, it must pay a break fee of C\$1.7 million. Lybica will have the right to match any Superior Proposal within five business days of it being made.

## **About High River**

High River is a gold company with interests in producing mines and advanced exploration projects in Burkina Faso and Russia.

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## **FORWARD LOOKING STATEMENTS**

This release and subsequent oral statements made by and on behalf of the Company may contain forward-looking statements. Wherever possible, words such as “intends”, “expects”, “scheduled”, “estimates”, “anticipates”, “believes”, and similar expressions or statements that certain actions, events or results “may”, “could”, “would”, “might” or “will” be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this release reflect management’s current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, High River cannot be certain that actual results will be consistent with these forward-looking statements. A number of factors could cause events and achievements to differ materially from the results expressed or implied in the forward-looking statements. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause High River’s actual results, event, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Although High River has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. Any forward-looking statements are made as of the date of this release, and High River assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law.