

## PRESS RELEASE

### SEVERSTAL TO INCREASE ITS STAKE IN HIGH RIVER GOLD AND TO MAKE A CASH OFFER TO MINORITY SHAREHOLDERS

**Moscow, June 16, 2009** - ZAO Severstal Resources (“Severstal”), the mining division of OAO Severstal (LSE: SVST; RTS CHMF), today announces that its affiliate, Lybica Holding B.V. (“Lybica”) with offices at Strawinskylaan 3105, Atrium, 1077 ZX, Amsterdam, Netherlands, has entered into a subscription agreement with High River Gold Mines Ltd. (TSX:HRG) (“High River”) to acquire ownership and control of an additional 59,019,367 common shares of High River (“Common Shares”) at a price of C\$0.18 per Common Share for proceeds of approximately C\$10.6 million in a non-brokered private placement (the “Private Placement”). The Private Placement is expected to close on or about June 19, 2009.

In addition to the Private Placement, Lybica and the Company have entered into a support agreement dated June 16, 2009 (the “Support Agreement”), pursuant to which Lybica has agreed to make an offer to purchase all of the issued and outstanding Common Shares not currently held by Lybica and its affiliates at a price of C\$0.22 in cash per Common Share (the “Offer”). Lybica has agreed to mail, or cause to be mailed, the Offer as soon as practicable but in any event no later than June 30, 2009. Pursuant to the Offer, Lybica, directly and through its affiliates, could acquire ownership and control of up to 100% of the issued and outstanding Common Shares. Severstal and its affiliates are treated as acting jointly or in concert with Lybica.

#### DETAILS OF THE PRIVATE PLACEMENT

Lybica, directly and through its affiliates, currently holds 312,771,130 Common Shares, representing approximately 53% of the issued and outstanding Common Shares. The Common Shares that will be acquired under the Private Placement will bring Lybica’s and its affiliates’ total holdings of Common Shares to 371,790,497 Common Shares, representing approximately 57.3% of the Common Shares that will be issued and outstanding on the closing of the Private Placement.

The Common Shares are to be acquired under the Private Placement for investment purposes and in order to facilitate the repayment of a US\$10 million debt of High River’s 84.94%-owned subsidiary OJSC Buryatzoloto.

The Common Shares are to be issued pursuant to the Private Placement in reliance upon the registration and prospectus exemption in Section 2.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions* as Lybica is a person, other than an individual or investment fund, that has net assets of at least C\$5,000,000 as shown on its most recently prepared financial statements. The Common Shares issued pursuant to the Private Placement will be subject to a statutory four month hold period.

#### DETAILS OF THE OFFER

The Offer is subject to certain customary conditions that are required to be satisfied prior to take-up and payment by Lybica, including, but not limited to, there being no material adverse change affecting High River; however, there is no minimum tender requirement. The board of directors

of High River, with Severstal nominees abstaining, and the special committee of independent directors of High River (the “Special Committee”) have unanimously agreed to support the Offer and recommend to its shareholders that they accept it. The recommendation of the Special Committee follows the preparation of a formal valuation of High River conducted by Paradigm Capital Inc. in accordance with Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. High River’s board of directors has received an opinion from Paradigm Capital Inc. that the Offer is fair from a financial point of view to the minority shareholders of High River.

The Support Agreement contains terms and conditions typical for transactions of this nature and prohibits High River from soliciting any competing offers. If a Superior Proposal (as such term is defined in the Support Agreement) is received by High River, Lybica has the right to increase its Offer to match that competing offer. In certain circumstances, including where Lybica does not match a competing offer, High River may terminate the Support Agreement and in such an event and in certain other circumstances where the Offer is not completed, High River would be required to pay a break fee to Lybica of C\$1.7 million.

High River is a gold mining company listed on TSX (Symbol: HRG) with a portfolio of producing mines, mines under development, and advanced exploration projects in Russia and Burkina Faso. High River’s annual attributable gold production from these assets is expected to exceed 300,000 ounces (approximately 9.33 metric tonnes) in the near future.

ZAO Severstal Resources comprises OAO Severstal’s assets relating to iron ore, coal and gold extraction. The division also includes coal refining facilities and other auxiliary businesses and is one of Russia’s largest producers of pellets and coking coal.

Morgan Stanley & Company Limited and Torys LLP are acting as the financial and legal advisors to Severstal on this transaction.

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## Forward Looking Statements:

This communication may contain projections and other forward-looking statements regarding future events or the future financial performance of OAO Severstal. Forward looking statements are identified by terms such as “expect,” “believe,” “anticipate,” “estimate,” “intend,” “will,” “could,” “may” or “might”, the negative of such terms, or other similar expressions. OAO Severstal wishes to caution you that these statements are only predictions and that actual events or results may differ materially. OAO Severstal does not intend to update these statements to reflect events and circumstances occurring after the date hereof or to reflect the occurrence of unanticipated events. Factors that could cause the actual results to differ materially from those contained in projections or forward-looking statements of OAO Severstal may include, among others, general economic conditions in the markets in which OAO Severstal operates, the competitive environment in, and risks associated with operating in, such markets, market change in the steel and mining industries, as well as many other risks affecting OAO Severstal and its operations.