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HIGH RIVER GOLD

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## HIGH RIVER GOLD MINES LTD. Q1 REPORT

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FOR THE THREE MONTHS ENDED MARCH 31, 2005

## HIGH RIVER GOLD MINES LTD. MANAGEMENT'S DISCUSSION AND ANALYSIS

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*As at March 31, 2005. Expressed in Canadian Dollars unless otherwise noted.*

The following discussion and analysis of the consolidated operating results and financial condition of High River Gold Mines Ltd. (the "Company", "High River") for the quarter ended March 31, 2005 should be read in conjunction with the audited Consolidated Financial Statements and related Notes, and Management's Discussion and Analysis as at December 31, 2004. The Consolidated Financial Statements and related Notes have been prepared in accordance with Canadian generally accepted accounting principles ("GAAP"). The Company's most recent filings are available on the SEDAR website. All figures are in Canadian dollars, unless otherwise noted.

### Highlights for the First Quarter of 2005

- Attributable gold production of 30,542 ounces at a total cash cost of US \$274 per ounce
- Consolidated net loss of \$0.9 million (\$ 0.01 per share) after non-cash expenses of \$2.5 million
- Operating cash flow of \$4.5 million (before working capital changes)
- Received Russian regulatory approval for the acquisition of a further 30% interest in OJSC Buryatzoloto
- Signed initial construction contract of US \$8.1 million for Taparko-Bouroum gold project
- Signed an agreement to acquire a further 14% interest in Jilbey Gold Exploration Ltd.
- Acquired the prospective Novophirsovskoye Ore Field exploration and mining license in Russia for US \$5.1 million
- Placed the New Britannia Mine on care and maintenance

### Subsequent Event

- Received approval for the exploitation permit of the Bouroum deposits

### Selected Financial Results

<i>(in thousands of Canadian dollars except per share amounts)</i>	Three Months Ending March 31,	
	2005	2004
Gold revenue	\$ 19,607	\$ 24,132
Net (loss) income <sup>1</sup>	(930)	1,193
Net (loss) income per share (basic)	(0.01)	0.01
Cash flow from operations <sup>2</sup>	4,509	5,195
Weighted average number of shares outstanding (basic) <sup>3</sup>	170,014,607	105,973,788

1. *The net loss in the first quarter of 2005 includes non-cash accounting adjustments of 2.2 million (1Q2004 – \$0.6 million).*
2. *Before changes in non-cash working capital.*
3. *Includes shares to be issued for the Company's increased interest in Buryatzoloto.*

## RESULTS OF OPERATIONS

The Company reported a net loss of \$930,000 (\$0.01 per share) in the first quarter of 2005 compared to net earnings of \$1.2 million (\$0.01 per share) during the corresponding quarter of 2004. With the Company's Russian operations continuing to perform according to plan, the loss in the first quarter of 2005 was due mainly to the following non-cash factors:

- High River has written down its residual investment in the New Britannia Mine in the amount of \$860,000 as the future cash flow was determined to be nil
- High River entered into put option contracts during the fourth quarter of 2004. The mark-to-market adjustment amounted to negative \$589,000 during the quarter
- Cost of stock-based compensation amounting to \$372,000 compared to \$250,000 in the same period last year
- Financing cost of \$387,000 associated with the New Britannia venture obligation

### Revenues

The Company's consolidated gold revenues for the first quarter of 2005 amounted to \$19.6 million compared to \$24.1 million for the same period of 2004. Although the Company realized a higher gold price on gold sales, the number of ounces sold decreased by 16%, from 45,050 ounces over the first quarter of 2004 to 37,295 ounces over the first quarter of 2005 as a result of the suspension of production at the New Britannia Mine in September 2004. The average gold price realized on sales was US \$429 per ounce during the period, up from US \$406 per ounce for the first quarter of 2004. The Company remains unhedged and continues to sell its gold production at spot prices.

Other income of \$340,000 was primarily interest income.

### Review of Operations and Development Projects

High River, through its Russian subsidiary OJSC Buryatzoloto ("Buryatzoloto"), is producing gold at the Zun-Holba and Irokinda underground mines, both located in southern Siberia, Russia. There was no production from the New Britannia Mine in the first quarter of 2005 as the mine was placed under care and maintenance in early January. With the Company's increased interest to 84.1% in Buryatzoloto (given effect in the accounts from January 1, 2005), the Company's attributable gold production increased to 30,542 ounces in the first quarter of 2005 from 25,604 ounces in the corresponding period of 2004 (with included 6,707 ounces from the New Britannia Mine).

The Company's total cash costs are calculated in accordance with the Gold Institute Production Cost Standards and include operating costs such as mining, milling, refining and transportation, by-product credits, royalties and production taxes, and administration but exclude depreciation, reclamation and mine closure, and foreign exchange. Calculated unit costs are based on ounces of gold produced.

### Buryatzoloto Operations

Buryatzoloto continues to be profitable and achieved its production objectives for the first quarter of 2005 with 36,316 ounces of gold at an estimated total cash cost of approximately US \$274 per ounce compared to 34,930 ounces of gold at a total cash cost of US \$259 per ounce in the first quarter of 2004. The increased total cash cost reflects, in part, consumable price and labour wage increases as well as expanded stope preparation activities at the Irokinda Mine. Efforts are continuing on the implementation of procedures and processes to optimize the Buryatzoloto operations with the goal of increasing reserves and reducing operating costs.

## Buryatzoloto Operational and Financial Data

	Three Months Ending March 31,	
	2005	2004
Tonnes milled	<b>123,692</b>	121,366
Head grade (g/t)	<b>9.55</b>	9.50
Recovery (%)	<b>94.4</b>	94.3
Gold production (oz) (100%)	<b>36,316</b>	34,930
High River share of production (oz)	<b>30,542</b>	18,897
Direct mining cost (US \$/oz)	<b>243</b>	233
By-product credits (US \$/oz)	-	-
Mine operating cost (US \$/oz)	<b>243</b>	233
Royalty expense and production tax (US \$/oz)	<b>31</b>	26
Total cash cost (US \$/oz)	<b>274</b>	259

### *Zun-Holba Mine*

The Zun-Holba Mine is an underground operation with a cyanidation and carbon-in-pulp (CIP) processing plant. In the first quarter of 2005, the mine produced 15,832 ounces of gold compared to 15,958 ounces of gold in the same period of 2004. The mill processed 53,356 tonnes of ore at an average grade of 9.6 g/t gold. In the first quarter of 2005, direct mining costs decreased to US \$253 per ounce (total cash cost of US \$283 per ounce) from US \$268 per ounce (total cash cost of US \$297 per ounce) in the same corresponding period of 2004. The decrease in operating cost in the first quarter was mainly due to a lower volume of mine development compared to the same period in 2004.

During the first quarter, approximately 48% of the tonnage mined was by undercut-and-fill, 41% by shrinkage stoping and the remainder using timber support. Fewer tonnes were processed than mined during the quarter due to repairs being made to the ball mill in one of the circuits.

### **Zun-Holba Operational Data**

	Three Months Ending March 31,	
	2005	2004
Tonnes mined	<b>63,257</b>	59,176
Tonnes milled	<b>53,356</b>	55,993
Head grade (g/t)	<b>9.6</b>	9.5
Recovery (%)	<b>93.0</b>	93.8
Gold production (oz)	<b>15,832</b>	15,958

### *Irokinda Mine*

The Irokinda Mine is an underground operation with a processing plant comprised of a conventional crushing grinding circuit followed by gravity separation and flotation of all ores. The gravity concentrate is refined to a doré on site while the flotation concentrate is dried and then transported to the CIP plant at Zun-Holba for further processing.

In the first quarter of 2005, Irokinda produced 20,484 ounces of gold, exceeding budget by 12%, compared to 18,973 ounces for the same period in 2004. The mill processed 70,336 tonnes of ore at an average grade of 9.5 g/t gold. During the period, direct mining costs increased to US \$236 per ounce

(total cash cost of US \$267 per ounce) compared to direct mining costs of US \$188 per ounce (total cash cost of US \$215 per ounce) in 2004. The rise in operating costs was mainly the result of consumable price and labour wage increases as well as expanded stope preparation activities. Approximately 7,600 tonnes of lower grade material was sorted from the mined ore and stockpiled for processing at the seasonal circuit of the mill. This circuit starts to operate in May.

#### **Irokinda Operational Data**

	Three Months Ending March 31,	
	<b>2005</b>	2004
Tonnes mined	<b>82,459</b>	69,248
Tonnes milled	<b>70,336</b>	65,373
Head grade (g/t)	<b>9.5</b>	9.5
Recovery (%)	<b>95.5</b>	94.6
Gold production (oz)	<b>20,484</b>	18,973

#### **New Britannia Mine**

At New Britannia, High River and joint venture partner, Kinross Gold Corporation (“Kinross”), took the decision to suspend operations in September 2004 and placed the mine on care and maintenance in January 2005. Exploration efforts during the last half of 2004 were not successful in defining an extension of the ore body sufficient to support further mining. By the end of the first quarter of 2005, all salvageable underground equipment had been removed from the mine and moved to surface. Disposal of equipment has continued during the quarter with proceeds being utilized to fund closure activities.

High River has determined that the future cash flow to the Company from the mine is nil and accordingly has written down the carrying value of its residual investment amounting to \$860,000. Also, commencing January 1, 2005, the consolidated statement of operations and the consolidated balance sheet of High River does not reflect any economic activity of the New Britannia Mine as closure activities are funded by Kinross as operator.

#### **Project Development**

##### *Berezitovy Project, Russia*

Development work at Berezitovy during the first quarter of 2005 included site clearing and surface preparation for concrete foundation work to start in the second quarter of 2005; improvement and upgrading of access roads to the mine site; continued construction of the powerline, which is now 95% complete and scheduled to be energized in early June; final disassembly of the Mill 4 Gold Ore Processing Facility (“Mill 4”) and shipment to the port of Everett, near Seattle, USA; start of construction of a 1600 KW diesel generator station for backup power; and continued detailed engineering by several Russian consulting firms. A large part of the cost-effective modular camp, purchased in Budapest Hungary, has arrived at the railway station of Skovorodino and will be assembled on site during the second quarter of this year.

The Company is continuing with the permitting process and advancing the due diligence work with the European Bank for Reconstruction and Development (“EBRD”) for a project loan of US \$32 million. Purchasing of mobile and construction equipment is 50% complete with some of the equipment already on site. The majority of the Mill 4 components is scheduled for shipping in May and expected to arrive on site in July.

In the past year, the mining industry as a whole has been facing increasing costs for consumables (fuel, reagents, etc.), mining equipment and maintenance parts (mainly due to the increase in the price of steel). In this regard, High River has mitigated many of these higher costs by purchasing quality second-hand equipment and maximizing its resources. The Company does not anticipate that its budgeted capital expenditures will increase by more than 10%, which were estimated at US \$59 million (including VAT) in the June 2004 bankable feasibility study. As at March 31, 2005, the Company has spent approximately US \$24.5 million on the development and construction of the project.

#### *Taparko-Bouroum Project, Burkina Faso*

High River held the official ground-breaking ceremony at the Taparko-Bouroum project on February 25, 2005. The Prime Minister of Burkina Faso, the Minister of Mines, Quarries and Energy, and other senior officials attended the ceremony along with approximately 2,000 people from the surrounding communities.

For the construction of the Taparko-Bouroum project, the Company's subsidiary in Burkina Faso, Somita SA ("Somita"), is finalizing its arrangements with Absa Corporate and Merchant Bank ("ABSA") for project financing. It is expected that the first drawdown under the US \$36 million debt facility will occur in June 2005.

As part of the continuation of the construction of the project, Somita entered into a "soft start" construction contract of US \$8.1 million with Metallurgical Design and Management (Pty) Ltd. ("MDM") of South Africa. Under this contract, MDM is proceeding with the detailed engineering, the construction of prefabricated modular camp infrastructure units, and the purchase of some long-lead items and equipment. This contract is expected to form part of a larger lump sum turnkey contract for the construction of plant and other facilities, which are to be financed substantially by project debt.

The selection and hiring of all senior personnel was completed in the first quarter of 2005. The Company is now proceeding with the selection and hiring of local equipment operators. Most of the mining equipment purchased is on site (e.g. trucks, shovel, bulldozer, and service vehicles). High River started the construction of the water reservoir in early April with completion expected in June. The pipeline material and pumps have been purchased and are scheduled to arrive by the end of May. Pumping from the Yalogo dam, located 9 kilometres from the project, to the project site water containment area is expected to start in July.

SRK Consulting (Canada) Inc. ("SRK") is currently finalizing an optimization study of the mine plan using a US\$ 400 per ounce gold price and incorporating current prices for fuel, consumables and reagents to update the mine operating costs. The final report from SRK is expected in June; initial results from the study indicate:

- Higher gold production levels in the early years of the mining operation, starting at 100,000 oz in year 1 and ramping up to over 140,000 oz in years 3 and 4 of production
- 16% increase in mineral reserves to 826,500 oz
- Approximate 20% increase in operating costs
- Annual milling rate increase of 50% to 1.5 million tonnes with minimal investment

High River has been diligent and able to mitigate the upward pressure on capital expenditures by buying quality second-hand equipment and maximizing its resources. The Company purchased a second-hand ball mill from the Philippines, which is expected to arrive on site by mid-year. The mining equipment purchased was more costly than indicated in the feasibility study by approximately 20%. The equipment is currently being utilized by High River for site preparation and construction of the water dam, and later for the tailing dams. The Company also uses local contractors and supplies to support the local

communities. To mitigate the impact of rising fuel prices, High River has invested in new heavy fuel oil power generators that are expected to lower operating costs by approximately US \$14 million over the life of mine, compared to using diesel generators. At this time, High River does not expect more than a 10% increase in capital costs for the project, which were estimated at US \$52 million in the June 2004 bankable feasibility study. As at March 31, 2005, the Company has spent approximately US \$12.1 million on the development and construction of the project.

Somita received notice from the Burkina Faso Government that the exploitation permit for the Bouroum deposit will be issued following signing of the decree by the President of Burkina Faso.

### **Amortization and Depletion**

Amortization and depletion expense increased in the first quarter of 2005 compared to the same period in 2004 as a result of the Company's increased interest in Buryatzoloto together with the effect of a higher amortization rate because of lower mineral reserves at Zun-Holba and Irokinda mines.

### **Administrative Costs**

General and administrative costs increased to \$930,000 in the first quarter of 2005 compared to \$506,000 in the same corresponding period. The higher costs were a result of increased corporate activities and staffing associated with the decision to develop the Taparko-Bouroum and Berezitovy projects.

### **Financing Costs**

Financing expenses totalled \$315,000 during the first quarter of 2005 compared to \$358,000 in the corresponding period of 2004 as a result of retirement of a portion of the debt associated with Buryatzoloto and the effect of a weaker US dollar. Most of the Buryatzoloto loans and interest charges are denominated in US dollars.

### **Financing Costs on Venture Obligation**

In the first quarter of 2005, non-cash interest expense relating to the New Britannia venture obligation totalled \$387,000 (1Q2004 - \$385,000).

The Company intends to write down the value of the venture obligation either when High River formally relinquishes its interest in the venture or when Kinross provides High River with a formal acknowledgement of the non-recourse nature of the debt and terminates the obligation.

### **Stock-based Compensation**

The Company recorded \$372,000 of stock-based compensation expense for the first quarter of 2005 compared to \$250,000 in the first quarter of 2004.

### **Write-down of Carrying Value**

As it was determined that the future cash flows from the New Britannia Mine is nil, the Company has taken a one-time writedown of its residual investment in the amount of \$860,000.

## Derivative Losses

During the quarter, the Company recorded an unrealized derivative loss of \$589,000 resulting from the mark-to-market value on the put options acquired in the fourth quarter of 2004 as a condition precedent for the loan agreement with ABSA.

## Non-controlling Interest in Earnings of Subsidiary

Effective January 1, 2005, the Company increased its ownership interest in Buryatzoloto from 54.1% to 84.1%. Accordingly, the interest of the minority shareholders in the earnings of Buryatzoloto has decreased in the first quarter of 2005 compared to the same period in 2004.

## Income Tax Expense

The income tax expense totalled \$1.1 million for the first quarter of 2005 compared to \$1.5 million in the comparable period of 2004 as a result of lower earnings (before tax) from Buryatzoloto's operations in Russia.

## LIQUIDITY AND CAPITAL RESOURCES

The following table summarizes the Company's consolidated cash flows and cash on hand:

<i>(in thousands)</i>	<b>As at March 31, 2005</b>	As at December 31, 2004
Cash and cash equivalents	<b>\$ 21,576</b>	\$ 40,709
Working capital	<b>29,762</b>	42,682
Long-term debt	<b>12,173</b>	12,048

	<b>Three Months Ending March 31, 2005</b>	2004
Cash provided by (used in) operating activities	<b>\$ (1,126)</b>	\$ 3,122
Cash used in investing activities	<b>(20,032)</b>	(8,368)
Cash provided by (used in) financing activities	<b>1,843</b>	(718)

## Operating Activities

Cash flow from operating activities before changes in non-cash working capital for the quarter ended March 31, 2005 was \$4.5 million compared to \$5.2 million for the corresponding period in 2004. The decrease was primarily a result of lower gold production due to the closure of the New Britannia Mine. Cash flow used in operations after changes in working capital was \$1.1 million compared to a cash inflow of \$3.1 million for the same quarter of 2004.

## Investing Activities

Investing activities consumed \$20.0 million of cash in the first quarter of 2005 compared to \$8.4 million for the same period in 2004. The significant increase was due to the planned capital expenditures on the construction of the Taparko-Bouroum and Berezitovy projects, which amounted to \$17.6 million for the quarter. The Company's investment in property, plant and equipment decreased to \$1.7 million from \$3.1 million as a result of a decrease in development expenditures at the Russian operations.

In December 2004, the Company announced that it had finalized four agreements with separate investors to acquire their equity interests in the Buryatzoloto in exchange for 16,347,270 shares in High River to be issued from treasury. Following closing of these transactions, anticipated before the end of May 2005, and including the share exchange with the EBRD announced in August 2004, High River will issue a total of 28,107,270 treasury shares to complete these transactions. The Company's interest in Buryatzoloto will increase to approximately 84.1% on a non diluted basis from 54.1% as at December 31, 2004. The acquisition of this interest in Buryatzoloto has been given effect in the accounts from January 1, 2005 in recognition of the receipt of Russian regulatory approval during January 2005.

During the first quarter of 2005, the Company exercised warrants priced at \$0.50 and acquired 259,000 shares of Jilbey Gold Exploration Ltd. ("Jilbey"). Also, on March 29, 2005, High River announced that it had reached an agreement with European investors to acquire 4,944,500 common shares and 2,000,000 common share purchase warrants of Jilbey in exchange for 2,382,240 common shares of the Company to be issued from treasury. Of the common share purchase warrants, 1.1 million are exercisable at \$0.60 until October 14, 2005 and the remaining 900,000 are exercisable at \$0.70 until May 12, 2006 for one common share per warrant. Upon closing of the transaction in May 2005, High River will hold a total of 10,211,160 common shares of Jilbey (29.0%) and, assuming exercise of all Jilbey warrants held by the Company, a total of 14,086,160 common shares (36.1%). High River intends to equity account for its interest in Jilbey with effect from April 1, 2005.

In February 2005, Buryatzoloto was the successful bidder at an auction for the promising Novophirsovskoye Ore Field exploration and mining license in the Altay Region of the Russian Federation. Buryatzoloto won with a bid of 143.5 million roubles or approximately US \$5.1 million, the payment of which was made in April.

### **Financing Activities**

In the first quarter of 2005, Buryatzoloto entered into a short-term loan of approximately \$1.6 million.

During the first quarter of 2005, the Company received proceeds of \$469,000 from the exercise of stock options.

### **Uses of Liquidity**

High River's cash requirements over the next 12 months are primarily to fund:

- Development of the Taparko-Bouroum and Berezitovy projects
- Final payment of US \$2.7 million for the purchase of the Bouroum deposits
- US \$5.1 million for the purchase of the Novophirsovskoye exploration and mining license
- Acquisition of new projects
- Corporate administration and working capital

Management believes the Company will be able to fund a majority of its capital requirements for its two development projects with the finalization of the loan facilities and its current working capital. However, the Company may require additional financing during the year if drawdowns of the project loans are delayed or to meet other corporate objectives.

## **BALANCE SHEET**

The Company's total assets were \$218.2 million at March 31, 2005 compared to \$205.8 million at December 31, 2004.

As at March 31, 2005, working capital decreased to \$29.8 million from \$42.7 million as at December 31, 2004 as a result of expenditures associated with the construction of both the Berezitovy and Taparko-Bouroum projects. The remaining payment of US \$2.7 million for the Bouroum property is included in accounts payable.

The long-term debt amounted to \$12.2 million at the end of the first quarter compared to \$12.0 million at the end of 2004.

Shareholders' equity increased to \$139.1 million at the end of the first quarter of 2005 due mainly to the net increase in capital stock from the shares to be issued in the Buryatzoloto transactions, totalling \$40.1 million.

## **OUTLOOK**

The Company expects to maintain its current level of gold production at its two Russian operations with a 2005 production target of approximately 147,000 ounces (124,800 ounces attributable to High River) at an estimated total cash cost of US \$280 per ounce. High River and Buryatzoloto will maintain their focus on optimizing these operations with the objective of increasing reserves and reducing operating costs.

High River's two key development projects continue to be advanced towards production scheduled for the first half of 2006. The successful start-up of both projects will have a significant impact on the Company as it would increase its gold production profile to over 300,000 ounces by 2007.

In Burkina Faso, the Company is spending US \$450,000 for exploration on four of its properties in the month of April and May. Drilling has started at the Labola property located in southwestern Burkina Faso. Approximately 1,500 metres of reverse circulation drilling and 1,430 metres of RAB drilling are underway to test a series of parallel quartz veins over a strike length of 11 kilometres. Random sampling of the mineralized quartz vein structure, mostly taken from rejects brought to the surface by artisanal miners, returned an average gold grade of 5.4 g/t from 110 samples with an additional 52 samples of the host rock averaging 0.8 g/t gold. Results of the drilling programme are expected at the end of May.

## **NON-GAAP MEASURES**

The Company has included certain non-GAAP performance measures in this document. These non-GAAP performance measures do not have any standardized meaning prescribed by GAAP and, therefore, are unlikely to be comparable to similar measures presented by other companies. High River believes that, in addition to conventional measures prepared in accordance with GAAP, certain investors use this information to evaluate High River's performance. Accordingly these measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. Set out below are definitions for these performance measures and reconciliations of the non-GAAP measures to reported GAAP measures.

<i>(in thousands of Canadian dollars except where noted)</i>	<b>Buryatzoloto (100%)</b>
<b>First Quarter 2005</b>	
Gold ounces sold	37,295
Gold revenue per financial statements	\$ 19,607
Average exchange rate - Cdn to US \$	1.2256
Gold revenue (US \$)	15,998
Average realized price (US \$/oz)	429
Gold ounces produced	36,316
Mining costs per financial statements	\$ 13,436
Less: Royalty expense and production tax	1,382
Site reclamation	30
G&A	1,196
Direct mining costs	10,828
Average exchange rate - Cdn to US \$	1.2256
Direct mining costs (US \$)	8,835
Direct mining costs (US \$/oz)	243
Royalty expense and production tax (US \$/oz)	31
<b>Total cash costs (US \$/oz)</b>	<b>274</b>

<i>(in thousands of Canadian dollars except where noted)</i>	<b>Buryatzoloto (100%)</b>	<b>New Britannia (50%)</b>	<b>Total</b>
<b>First Quarter 2004</b>			
Gold ounces sold	37,212	7,838	45,050
Gold revenue per financial statements	\$ 19,852	\$ 4,280	\$ 24,132
Average exchange rate - Cdn to US \$	1.3180	1.3180	1.3180
Gold revenue (US \$)	15,062	3,247	18,310
Average realized price (US \$/oz)	405	414	406
Gold ounces produced	34,930	6,707	41,637
Mining costs per financial statements	\$ 14,137	\$ 4,243	\$ 18,380
Less: Royalty expense and production tax	1,180	55	1,235
Severance	–	20	20
Site reclamation	220	–	220
By-product credits	–	(5)	(5)
Timing adjustment	696	–	696
G&A	1,336	353	1,689
Direct mining costs	10,705	3,820	14,525
Average exchange rate - Cdn to US \$	1.3180	1.3180	1.3180
Direct mining costs (US \$)	8,122	2,898	11,020
Direct mining costs (US \$/oz)	233	432	265
By-product credits (US \$/oz)	–	(1)	–
Royalty expense and production tax (US \$/oz)	26	6	23
<b>Total cash costs (US \$/oz)</b>	<b>259</b>	<b>437</b>	<b>288</b>

The Company has adopted the definitions published by the Gold Institute for operating costs per ounce in order to enhance comparability with other mining companies. Cash costs are derived from the statement of operations and include operating costs such as mining, milling, refining and transportation, by-product credits, royalties and production taxes, and administration but exclude depreciation, reclamation and mine closure, and foreign exchange. Costs are based on ounces of gold produced.

## **SUPPLEMENT TO THE FINANCIAL STATEMENTS**

As at May 11 2005, the share capital was:

- 156,337,411 common shares issued and outstanding
- 13,983,863 common shares to be issued
- 8,236,334 common share purchase options at an average price of \$1.77 maturing at various dates until December 24, 2009 are outstanding
- 16,216,217 warrants at an average exercise price of \$2.35 maturing October 26, 2006 are outstanding

## **FORWARD LOOKING STATEMENTS**

This MD&A contains certain forward-looking statements relating but not limited to the Company's expectations, intentions, plans and beliefs. Forward-looking information can often be identified by forward-looking words such as "anticipate", "believe", "expect", "goal", "plan", "intend", "estimate", "may" and "will" or similar words suggesting future outcomes, or other expectations, beliefs, plans, objectives, assumptions, intentions or statements about future events or performance. Forward-looking information may include reserve and resource estimates, estimates of future production, unit costs, costs of capital projects and timing of commencement of operations, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to, failure to establish estimated resources and reserves, the grade and recovery of ore which is mined varying from estimates, capital and operating costs varying significantly from estimates, delays in obtaining or failures to obtain required governmental, environmental or other project approvals, inflation, changes in exchange rates, fluctuations in commodity prices, delays in the development of projects and other factors. Forward-looking statements are subject to risks, uncertainties and other factors that could cause actual results to differ materially from expected results.

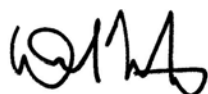
Potential shareholders and prospective investors should be aware that these statements are subject to known and unknown risks, uncertainties and other factors that could cause actual results to differ materially from those suggested by the forward-looking statements. Shareholders are cautioned not to place undue reliance on forward-looking information. By its nature, forward-looking information involves numerous assumptions, inherent risks and uncertainties, both general and specific, that contribute to the possibility that the predictions, forecasts, projections and various future events will not occur. High River undertakes no obligation to update publicly or otherwise revise any forward-looking information whether as a result of new information, future events or other such factors which affect this information, except as required by law.

## NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The management of High River Gold Mines Ltd. is responsible for the preparation of the accompanying unaudited interim consolidated financial statements. The unaudited interim consolidated financial statements have been prepared in accordance with accounting principles generally accepted in Canada and are considered by management to present fairly the financial position, operating results and cash flows of the Company.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Canadian Institute of Chartered Accountants for a review of interim financial statements by an entity's auditor. These unaudited financial statements include all adjustments, consisting of normal and recurring items, that management considers necessary for a fair presentation of the consolidated financial position, results of operations and cash flows.



David Mosher  
President and Chief Executive Officer



Steven Poad  
Chief Financial Officer

May 11, 2005

**HIGH RIVER GOLD MINES LTD.**  
**CONSOLIDATED BALANCE SHEETS**

(Thousands of Canadian dollars)

<i>(unaudited)</i>	<i>Note</i>	<b>March 31, 2005</b>	December 31, 2004
<b>Assets</b>			
<b>Current Assets</b>			
Cash and cash equivalents		\$ 21,576	\$ 40,709
Restricted cash		2,185	2,021
Accounts receivable		5,750	5,301
Inventory		15,105	13,369
Other assets		128	116
		<b>44,744</b>	61,516
Investments	3	9,314	8,980
Property, plant and equipment	4	78,032	65,799
Exploration properties and deferred exploration	5	4,533	4,111
Development properties	6	80,611	64,151
Other assets		996	1,289
<b>Total Assets</b>		<b>\$ 218,230</b>	\$ 205,846
<b>Liabilities and Shareholders' Equity</b>			
<b>Current Liabilities</b>			
Accounts payable		\$ 8,771	\$ 14,274
Loans and interest payable	7	6,211	4,560
		<b>14,982</b>	18,834
Loans and interest payable	7	12,173	12,048
Reclamation		1,348	2,029
Venture obligation	8	33,043	29,881
Future income taxes		2,710	2,713
		<b>64,256</b>	65,505
Non-controlling interest	9	14,839	41,994
<b>Total Liabilities</b>		<b>79,095</b>	107,499
<b>Shareholders' Equity</b>			
Share capital	10 (a)	177,553	177,084
Shares to be issued	10 (b)	40,141	–
Agent special warrants and options		8,620	8,620
Contributed surplus		5,037	4,664
Cumulative translation adjustment		(19,723)	(20,458)
Deficit		(72,493)	(71,563)
		<b>139,135</b>	98,347
<b>Total Liabilities and Shareholders' Equity</b>		<b>\$ 218,230</b>	\$ 205,846

The accompanying notes form an integral part of these financial statements.

**HIGH RIVER GOLD MINES LTD.****CONSOLIDATED STATEMENTS OF OPERATIONS**

(Thousands of Canadian dollars, except for income per share and number of shares)

<i>(unaudited)</i>	<i>Note</i>	<b>Three Months Ended March 31, 2005</b>	Three Months Ended March 31, 2004
<b>Revenue</b>			
Gold		<b>\$ 19,607</b>	\$ 24,132
Other		<b>340</b>	748
		<b>19,947</b>	24,880
<b>Expenditures</b>			
Mining costs		<b>13,436</b>	18,380
Amortization and depletion		<b>2,511</b>	1,477
Exploration		<b>63</b>	23
Administrative costs		<b>930</b>	506
Financing costs		<b>315</b>	358
		<b>17,255</b>	20,744
<b>Income before the under noted</b>		<b>2,692</b>	4,136
Financing costs on venture obligation		<b>(387)</b>	(385)
Stock-based compensation		<b>(372)</b>	(250)
Write-down of carrying value		<b>(860)</b>	–
Unrealized derivatives loss	11	<b>(589)</b>	–
Non-controlling interest in earnings of subsidiary	9	<b>(304)</b>	(845)
		<b>180</b>	2,656
Income tax expense	12	<b>1,110</b>	1,463
<b>Net (loss) income for the period</b>		<b>\$ (930)</b>	\$ 1,193
<b>Net (loss) income per share</b>	14		
– basic		<b>\$ (0.01)</b>	\$ 0.01
– diluted		<b>\$ (0.01)</b>	\$ 0.01
<b>Weighted average number of common shares outstanding</b>			
– basic		<b>170,014,607</b>	105,973,788
– diluted		<b>170,014,607</b>	107,361,890

**CONSOLIDATED STATEMENTS OF DEFICIT**

(Thousands of Canadian dollars)

<i>(unaudited)</i>	<i>Note</i>	<b>Three Months Ended March 31, 2005</b>	Three Months Ended March 31, 2004
Deficit – Beginning of period		<b>\$ (71,563)</b>	\$ (70,179)
Change in accounting policy	2	<b>–</b>	1,363
As restated		<b>(71,563)</b>	(68,816)
Net income for the period		<b>(930)</b>	1,193
Deficit – End of period		<b>\$ (72,493)</b>	\$ (67,623)

The accompanying notes form an integral part of these financial statements.

**HIGH RIVER GOLD MINES LTD.**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
(Thousands of Canadian dollars)

<i>(unaudited)</i>	<i>Note</i>	<b>Three Months Ended March 31, 2005</b>	Three Months Ended March 31, 2004
<b>Cash provided by (used in):</b>			
<b>Operating activities</b>			
Net income for the period		\$ (930)	\$ 1,193
Non-cash items:			
Non-controlling interest in earnings of subsidiary		304	845
Financing cost on venture obligation		387	–
Amortization and depletion		2,511	1,477
Write-down of carrying value		860	–
Unrealized derivative loss		589	–
(Gain) loss on disposal of assets		99	(5)
Stock-based compensation		372	250
Future income taxes		(32)	1,452
Other		349	(17)
Subtotal		4,509	5,195
Change in non-cash working capital	16 (a)	(5,635)	(2,073)
Total operating		(1,126)	3,122
<b>Investing Activities</b>			
Property, plant and equipment		(1,700)	(3,129)
Exploration properties and deferred exploration		(422)	(2,527)
Development properties		(17,639)	–
(Increase) decrease in investments		(130)	(1,909)
Allocation to restricted cash		(141)	(818)
Decrease in other long term assets		–	15
Total investing		(20,032)	(8,368)
<b>Financing Activities</b>			
Dividends paid by subsidiary to non-controlling interest		(72)	–
Increase (decrease) in loans and interest payable		1,446	(723)
Issuance of common shares		469	5
Total financing		1,843	(718)
<b>Effect of exchange rate changes on cash held in foreign currencies</b>		<b>182</b>	<b>(492)</b>
<b>Increase (decrease) in cash and cash equivalents during the period</b>		<b>(19,133)</b>	<b>(6,456)</b>
<b>Cash and cash equivalents – Beginning of period</b>		<b>40,709</b>	<b>18,257</b>
<b>Cash and cash equivalents – End of period</b>		<b>\$ 21,576</b>	<b>\$ 11,801</b>

The accompanying notes form an integral part of these financial statements.

# HIGH RIVER GOLD MINES LTD.

## NOTES TO THE CONSOLIDATED FINANCIAL STATEMENTS

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### For the three months ended March 31, 2005

*(Canadian dollars unless otherwise stated. All tabular amounts are expressed in thousands, except number of shares and per share amounts)*

**(unaudited)**

### 1. Disclosure

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The unaudited interim consolidated financial statements have been presented in accordance with Canadian generally accepted accounting principles (“GAAP”) for interim reporting. They do not include all the information and disclosure required by Canadian GAAP for annual financial statements. In the opinion of management all adjustments required for a fair presentation are included in these statements in accordance with the accounting policies of the Company. The interim consolidated financial statements should be read in conjunction with the year-end 2004 audited financial statements for the detailed note disclosure. The statements have not been reviewed by the Company’s independent auditors.

### 2. Changes in Accounting Policy

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Effective January 1, 2004 the Company adopted the Canadian Institute of Chartered Accountants Standard 3110, “Asset Retirement Obligations”. This standard requires that a liability for retirement obligations to be settled as a result of an existing law, regulation or contract be recognized when incurred and recorded at fair value on a retroactive basis.

The new accounting standard applies to future asset retirement requirements and has been applied to OJSC Buryatzoloto (“Buryatzoloto”). The policy has not been applied by the New Britannia Mine as the mine is in the process of closing and its obligations are current.

### 3. Investments

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The Company’s investments comprise the following:

	March 31, 2005	December 31, 2004
ZAO Zun-Hada	\$ 579	\$ 574
Pelangio Mines Inc.	4,914	4,914
Intrepid Minerals Corporation	1,287	1,287
Jilbey Gold Exploration Ltd.	2,335	2,205
Other	199	–
	<u>\$ 9,314</u>	<u>\$ 8,980</u>

The value of the investments where there is a quoted market valuation at March 31, 2005 was: Pelangio Mines Inc. (“Pelangio”) \$6,849,000; Intrepid Minerals Corporation \$2,491; and Jilbey Gold Exploration Ltd. (“Jilbey”) \$2,739,000. High River exercised warrants priced at \$0.50 and acquired 259,000 shares of Jilbey in the first quarter of 2005.

#### 4. Property, Plant and Equipment

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	<b>March 31, 2005</b>			December 31, 2004
	Cost	Accumulated Depreciation	<b>Net Book Value</b>	Net Book Value
Buryatzoloto	\$ 87,292	\$ (9,770)	<b>\$ 77,522</b>	\$ 65,321
Corporate and exploration	1,542	(1,032)	<b>510</b>	478
	<b>\$ 88,834</b>	<b>\$ (10,802)</b>	<b>\$ 78,032</b>	<b>\$ 65,799</b>

#### 5. Exploration Properties and Deferred Exploration

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	January 1, 2005	Additions	<b>March 31, 2005</b>
West Africa	\$ 4,111	\$ 422	<b>\$ 4,533</b>

#### 6. Development Properties

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	January 1, 2005	Additions	<b>March 31, 2005</b>
Taparko-Bouroum	\$ 26,871	\$ 3,794	<b>\$ 30,665</b>
Berezitovy	37,280	12,666	<b>49,946</b>
	<b>\$ 64,151</b>	<b>\$ 16,460</b>	<b>\$ 80,611</b>

#### 7. Loans and Interest Payable

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Current and long-term loans and interest payable by Buryatzoloto is comprised of the following:

	<b>March 31, 2005</b>		December 31, 2004	
	<b>Current</b>	<b>Long-term</b>	Current	Long-term
International Moscow Bank	\$ 995	\$ 4,869	\$ –	\$ 4,819
European Bank for Reconstruction and Development	2,738	5,052	2,711	5,000
Other	633	–	–	–
Accrued interest on loans	223	–	75	–
Capital leases	116	–	284	–
Type B preference shares	456	1,369	452	1,356
Type V preference shares	883	883	873	873
Accrued dividends on preference shares	167	–	165	–
	<b>\$ 6,211</b>	<b>\$ 12,173</b>	<b>\$ 4,560</b>	<b>\$ 12,048</b>

Loans and interest payable related to Buryatzoloto are non-recourse to the Company and are repayable solely from the cash flow of the operation.

#### 8. Venture Obligation

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	<b>March 31, 2005</b>	December 31, 2004
Venture Obligation	<b>\$ 33,043</b>	\$ 29,881

The Company's 50% share in the project loan of the New Britannia Mine joint venture is shown above. The obligation is without recourse to the Company and its assets other than its 50% interest in the New Britannia Mine.

The mine was placed on a care and maintenance basis in January 2005. High River has determined that the expected future cash flow from the mine is nil and accordingly has written down the carrying value of its residual investment (\$860,000).

Effective January 1, 2005, the consolidated statement of operations and the consolidated balance sheet does not reflect any economic activity of the New Britannia Mine since closure activities are funded by Kinross as operator.

## 9. Acquisition of Non-Controlling Interest

In December 2004, the Company announced that it had finalized four agreements with separate investors ("Investors") to acquire their equity interests in Buryatzoloto in exchange for shares in High River to be issued from treasury. Upon closing, High River will receive a total of 1,390,074 additional common shares and 140,610 Convertible Preference "A" shares of Buryatzoloto. Each Preference "A" share represents the equivalent of one common share of Buryatzoloto. High River will issue a total of 16,347,270 common shares of the Company to the Investors. Following closing of these transactions, anticipated before the end of May 2005, and including the share exchange with the European Bank for Reconstruction and Development ("EBRD") announced in August 2004, High River will issue a total of 28,107,270 treasury shares to complete the transactions. The Company's interest in Buryatzoloto will increase to approximately 84.1% on a non diluted basis from 54.1% as at December 31, 2004. The acquisition of this interest in Buryatzoloto has been given effect in the accounts from January 1, 2005 in recognition of the receipt of Russian regulatory approval during January 2005.

The aggregate purchase price has been determined based upon the fair value of the shares to be issued as determined at the time of conclusion of the transaction agreements with the third parties as follows:

	<b>Shares to Issue</b>	<b>Fair Value per Share</b>	<b>Cost of Acquisition</b>
EBRD - August 24, 2004	11,760,000	\$ 1.37	\$ 16,111
Investors - December 9, 2004	16,347,270	1.47	24,030
	<u>28,107,270</u>	<u>\$ 1.43</u>	<u>\$ 40,141</u>

At December 31, 2004, the non-controlling interest in Buryatzoloto not owned by the Company amounted to \$41,994,000 which represented 45.9% of the net assets of the company not owned by High River. Accordingly, the book value of the non-controlling interest acquired by the Company is \$27,447,000.

The following table summarizes the purchase of the additional interest.

	<b>As of January 1, 2005</b>
Non-controlling interest acquired	\$ 27,447
Consideration paid	<u>40,141</u>
Excess of purchase price assigned to property, plant and equipment	<u>\$ 12,694</u>

The excess of the purchase price over the interest in the assets acquired has been charged to property, plant and equipment and will be amortized to operations based upon the unit of production method over the life of the acquired mines to which the excess relates.

The Company is in the process of confirming the fair values of certain assets and the allocation of the purchase price is subject to refinement.

## 10. Share Capital

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- (a) Issued and outstanding shares  
During the three months ended March 31, 2005, the following share capital transactions occurred:

	Number of Shares Issued	Value
Share Capital as at December 31, 2004	141,432,337	\$ 177,084
For Cash:		
Exercise of stock options	781,667	469
Share Capital as at March 31, 2005	142,214,004	\$ 177,553

- (b) Shares to be issued

An amount of \$40,141,000 represents the value of 28,107,270 shares to be issued upon closing of the transactions referred to in note 9 above.

- (c) Stock Options

Total outstanding stock options at March 31, 2005

	Options	Weighted Average Price
Balance December 31, 2004	9,038,001	\$1.67
Cancelled	(20,000)	2.25
Exercised	(781,667)	0.60
Balance March 31, 2005	8,236,334	\$1.77

- (d) Stock options outstanding at March 31, 2005

Exercise Price	Number of Options Outstanding	Weighted Average Remaining Contractual Life (Years)	Number of Options Exercisable
\$ 0.60	791,334	1.6	791,334
1.65	2,445,000	2.5	2,445,000
2.23	75,000	2.9	75,000
1.70	50,000	3.2	50,000
2.25	2,025,000	3.6	1,300,000
1.85	2,850,000	4.6	950,000
	8,236,334	3.4	5,611,334

- (e) Warrants outstanding March 31, 2005

	Warrants	Weighted Average Price
Balance December 31, 2004	16,216,217	\$2.35
Balance March 31, 2005	16,216,217	\$2.35

## 11. Unrealized Derivative Loss

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During the fourth quarter of 2004, the Company purchased gold put options totalling 60,000 ounces with a strike price of US \$390 per ounce. The Company has chosen not to implement hedge accounting and accordingly the fair market value of the put options have been marked-to-market resulting in a valuation loss of \$589,000. The purchase

of these put options satisfied a condition precedent for the loan agreement associated with the Taparko-Bouroum development project.

## 12. Income Tax Expense

The income tax expense at March 31, 2005 represents the activities of Buryatzoloto.

	Buryatzoloto	Other	Total
Net income before tax	\$ 3,125	\$ (2,945)	\$ 180
Tax provision	(1,110)	–	(1,110)
Net income	\$ 2,015	\$ (2,945)	\$ (930)

## 13. Related Party Transactions

Included in the accounts are payments made to companies in which the Company has a significant equity interest. These transactions which in the normal course of operations are recorded at the exchange amount, being the amount agreed to by the parties. High River's personnel performed exploration services in Burkina Faso on behalf of Jilbey. At March 31, 2005 the Company had an account receivable remaining from Jilbey of approximately \$231,000 (2004 – \$935,000). At March 31, 2005 the Company had an account receivable from Pelangio of \$70,000 (2004 – nil) for services provided by High River on behalf of Pelangio. The receivable includes \$37,500 for providing technical and management consulting services.

During the three months ended March 31, 2005, professional fees of \$26,000 (2004 – \$21,000) were paid to Doelcam Inc., a company controlled by an officer of the Company.

During the three months ended March 31, 2005, legal services were provided by Cassels Brock and Blackwell LLP in which an officer / former director of the Company is a partner. The total cost of the services was \$36,000 (2004 – \$24,000).

A representative of RPFB Project Finance Ltd. ("RPFB") is also the Chairman of the Board of Buryatzoloto. During the three months ended March 31, 2005, Buryatzoloto paid US \$35,000 to RPFB for financial and consulting services provided in fiscal 2005 (2004 – nil).

## 14. Earnings (Loss) per Share

Earnings (loss) per share ("EPS") have been calculated using the weighted average number of shares outstanding during the period. Diluted EPS data is calculated using the treasury stock method. The calculation of diluted EPS assumes that options and warrants with an exercise price lower than the average quoted market price were exercised at the later of the beginning of the period, or time of issue. In applying the treasury stock method, options and warrants with an exercise price greater than the average quoted market price of the common shares are not included in the calculation of diluted EPS as the effect is anti-dilutive.

	Three Months Ended March 31,	
	2005	2004
Net (loss) income for the period	\$ (930)	\$ 1,193
Weighted average number of shares *	170,014,607	105,973,788
Basic (loss) earnings per share	\$ (0.01)	\$ 0.01
Potential issuance of shares		
from share purchase options	–	1,388,102
Weighted average number of shares	170,014,607	107,361,890
Fully diluted earnings per share	\$ (0.01)	\$ 0.01

\* Includes shares to be issued for the Company's increased interest in Buryatzoloto.

## 15. Contingencies

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In the course of operation, the Company may be subject to environmental and legal proceedings. The Company is not aware of any such proceedings.

## 16. Supplementary Cash Flow Information

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	Three Months Ended March 31,	
	2005	2004
(a) Net changes in non-cash working capital		
Accounts receivable	\$ (936)	\$ (1,706)
Inventory	(2,149)	976
Other assets	(195)	(771)
Accounts payable	(2,355)	(572)
	<b>(5,635)</b>	<b>(2,073)</b>
(b) Cash paid for interest	157	224
Cash paid for income taxes	428	1,126

## 17. Subsequent Event

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On April 8, 2005, the Board of High River approved the agreement with European investors to acquire 4,944,500 common shares and 2,000,000 common share purchase warrants of Jilbey Gold Exploration Ltd. in exchange for 2,382,240 common shares of the Company to be issued from treasury. An amount of 1.1 million common share purchase warrants are exercisable at \$0.60 until October 14, 2005 and the remaining 900,000 common share purchase warrants are exercisable at \$0.70 until May 12, 2006 for one common share per warrant. Upon closing of the transaction, anticipated during the second quarter of 2005, High River will hold a total of 10,211,160 common shares of Jilbey (29.0%) and assuming exercise of all Jilbey warrants held by the Company, a total of 14,086,160 common shares (36.1%). High River intends to equity account for its interest in Jilbey with effect from April 1, 2005.

## 18. Segmented Information

For the Three Months Ended March 31, 2005	New Britannia (Canada)	Buryatzoloto and Berezitovy (Russia)	Burkina Faso	Other (Canada)	Eliminations and Consolidation Adjustments	Total
Gold revenue	\$ –	\$ 19,607	\$ –	\$ –	\$ –	\$ 19,607
Other revenue	–	230	–	110	–	340
Financing costs	–	315	–	–	–	315
Amortization and depletion	–	2,505	–	6	–	2,511
Net income (loss) for the period	–	1,688	(764)	(1,854)	–	(930)
Property, plant and equipment expenditures	–	(1,700)	–	–	–	(1,700)
Capitalized exploration expenditures	–	–	(422)	–	–	(422)
Development properties	–	12,666	3,794	–	–	16,460
Total assets	–	89,608	47,396	81,226	–	218,230

For the Three Months Ended March 31, 2004	New Britannia (Canada)	Buryatzoloto and Berezitovy (Russia)	Burkina Faso	Other (Canada)	Eliminations and Consolidation Adjustments	Total
Gold revenue	\$ 4,280	\$ 19,852	\$ –	\$ –	\$ –	\$ 24,132
Other revenue	–	655	–	93	–	748
Financing costs	–	358	–	–	–	358
Amortization and depletion	–	1,475	–	2	–	1,477
Net income (loss) for the period	(343)	2,457	(69)	(852)	–	1,193
Property, plant and equipment expenditures	–	3,105	20	4	–	3,129
Capitalized exploration expenditures	–	1,595	582	350	–	2,527
Total assets	2,978	83,783	23,845	43,548	–	154,154

## CORPORATE INFORMATION

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### Directors

Alexandr Balabanov<sup>1,2,3</sup>  
*Executive Director*  
*RPFB Project Finance Limited*  
*Moscow, Russia*

W. Derek Bullock, P. Eng<sup>1,2,3</sup>  
*Mining Consultant*  
*Bobcaygeon, Ontario*

Michael Y.C. Chieng<sup>1,2</sup>  
*Financial Consultant*  
*Burnaby, British Columbia*

Laurence Curtis  
*President & CEO*  
*Intrepid Minerals Corporation*  
*Oakville, Ontario*

Valery Dmitriev  
*General Director*  
*OJSC Buryatzoloto*  
*Ulan-Ude, Russian Federation*

David V. Mosher<sup>3</sup>  
*President and CEO*  
*High River Gold Mines Ltd.*  
*Oakville, Ontario*

Vladimir P. Polevanov  
*Independent Businessman*  
*Moscow, Russia*

Mark Rachovides<sup>1,2,3</sup>  
*Senior Banker,*  
*European Bank for*  
*Reconstruction and Development*

Donald A. Whalen  
*Executive Chairman*  
*High River Gold Mines Ltd.*  
*Unionville, Ontario*

<sup>1</sup> Member of the Audit Committee

<sup>2</sup> Member of the Compensation Committee

<sup>3</sup> Member of the Strategic Review Committee

### Officers

Donald A. Whalen  
*Executive Chairman*

David V. Mosher  
*President and CEO*

Daniel G. Vanin, P. Eng  
*Executive Vice President and*  
*Chief Operating Officer*

Steven Poad, CA  
*Chief Financial Officer*

Driffield M. Cameron, P. Geo  
*Vice President Exploration*

Laurie Gaborit  
*Vice President Investor Relations*  
*and Corporate Secretary*

### Other

John G. Green  
*Controller*

Linda Mosher  
*Administration Manager*

Cathie Simon  
*Investor Relations*

### Corporate Office

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Suite 1700  
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### Russian Subsidiary Office

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Russian Federation  
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Fax: 7 (3012) 440-107

### Burkina Faso Operations Office

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Secteur 25  
Ouagadougou 01. Burkina Faso

Telephone: (226) 50 35 81 85  
Fax: (226) 50 35 81 87

### Transfer Agent

Equity Transfer Services Inc.  
120 Adelaide Street West, Ste 420  
Toronto, Ontario  
M5H 4C3

### Auditors

PricewaterhouseCoopers LLP  
Toronto, Ontario

### Solicitors

Cassels Brock and Blackwell LLP  
Toronto, Ontario

### Shares Listed

The Toronto Stock Exchange  
Symbol: **HRG**

CUSIP 42979J

### Investor Relations

For inquiries, or copies of the Company's Annual Information Form, Annual or Quarterly Reports, please contact Investor Relations at (416) 947-1440, [info@hrg.ca](mailto:info@hrg.ca), or visit the Company's website at [www.hrg.ca](http://www.hrg.ca).

The Company's filings with the Canadian securities regulatory authorities can be accessed on SEDAR at [www.sedar.com](http://www.sedar.com).