

PLEASE READ THIS MATERIAL CAREFULLY AS YOU ARE REQUIRED TO MAKE A DECISION PRIOR TO 4:00 P.M. (TORONTO TIME) ON July 26, 2001

This offering of securities is made in the Provinces of British Columbia, Alberta, Manitoba, Ontario and Nova Scotia, Canada, other jurisdictions outside Canada where it is not unlawful for the rights offering to proceed but not elsewhere (including the United States). The offering is not, and under no circumstances is it to be construed as an offering of any securities for sale in any jurisdiction other than in the Provinces of British Columbia, Alberta, Manitoba, Ontario, Nova Scotia, Canada, other jurisdictions outside Canada where it is not unlawful for the rights offering to proceed, and not elsewhere (including the United States) or a solicitation therein of any offer to buy any securities of High River Gold Mines Ltd.

Rights Offering

June 7, 2001

HIGH RIVER GOLD MINES LTD.

OFFER OF RIGHTS TO SUBSCRIBE FOR 9,193,100 COMMON SHARES

RECORD DATE: June 20, 2001 (the "Record Date").

TIME AND DATE OF EXPIRY: 4:00 p.m. (Toronto Time) (the "Expiry Time") on July 26, 2001 (the "Expiry Date").

SUBSCRIPTION PRICE: \$0.40 per common share (a "Common Share").

BASIC SUBSCRIPTION PRIVILEGE: Subject to the terms hereof, each holder of record of Common Shares at the close of business on the Record Date is entitled to receive a right ("Right") for each Common Share held. Four (4) Rights will entitle the holder to subscribe for one Common Share at the Subscription Price.

ADDITIONAL SUBSCRIPTION PRIVILEGE: Each holder of a Rights Certificate who exercises all of the Rights evidenced by such certificate may subscribe for additional Common Shares, if any, available as a result of Common Shares offered hereunder that have not been subscribed and paid for at the Expiry Time. See "Details of the Offering - Additional Subscription Privilege".

MAXIMUM NUMBER OF COMMON SHARES AND COMMON SHARES ISSUABLE: A maximum of 9,193,100 Common Shares will be issued upon exercise of the Rights which is 25% of the number of Common Shares outstanding (36,772,400) as of the date hereof.

PROCEEDS: The maximum estimated proceeds of this offering, assuming full exercise of the Rights, will be \$3,677,240 before deducting expenses of the offering estimated at \$25,000. The net proceeds of this offering will be used to continue work on a deep drilling program on the Taparko project and for general corporate purposes.

SOLICITATION FEES:

The Company will pay to any registered dealer whose stamp appears on an exercised Rights Certificate a commission of \$0.02 for each Common Share subscribed for under this Offering (other than those exercised by directors, officers, or any person holding more than 10% of the shares of the Company), subject to a minimum of \$25, (where the owner exercises rights with respect to ten board lots or more) and a maximum of \$1,500, in respect of Rights exercised by or on behalf of any single beneficial owner of Rights.

TO THE HOLDERS OF COMMON SHARES

High River Gold Mines Ltd. (herein referred to as the "Company" or "High River") is issuing rights (the "Rights") to the holders of record of its outstanding common shares (the "Common Shares") at the close of business on June 20, 2001 (the "Record Date"). Each holder of a Common Share will be issued one Right for each Common Share held of record at the close of business on the Record Date. Four (4) Rights entitle the holder to subscribe for one Common Share at a price of \$0.40 per Common Share (the "Basic Subscription Privilege").

Only subscriptions for a whole number of Common Shares will be accepted; fractional Common Shares will not be issued.

There is no soliciting dealer for the offering, and there is no stand-by commitment. There is no minimum amount for the offering. No soliciting dealer fee or other compensation will be paid in connection with the rights offering except for a commission of \$0.02 per Common Share subscribed for under this Offering to be paid to any registered dealer whose stamp appears on an exercised Rights Certificate (as set out herein). Ex-Rights trading in the Common Shares of the Company will commence two trading days prior to the Record Date.

Persons who are not shareholders of the Company who wish to acquire a Common Share must purchase four Rights on The Toronto Stock Exchange in order to subscribe for one Common Share under this Offering. Holders of Rights who exercise their Rights in full are entitled to subscribe for additional Common Shares ("Additional Common Shares") pursuant to the Additional Subscription Privilege described in this Circular. See "Details of the Offering - Additional Subscription Privilege".

The Rights expire at 4:00 p.m. (Toronto time) on July 26, 2001 (the "Expiry Time"). A transferable certificate (the "Rights Certificate") evidencing the total number of Rights to which a Common Shareholder is entitled has been sent with this Circular to each Common Shareholder of record as of the Record Date with an address of record in the Provinces of British Columbia, Alberta, Manitoba, Ontario, and Nova Scotia, Canada, and other jurisdictions outside Canada where it is not unlawful for the rights offering to proceed. The Offering will not proceed in the United States (the "Qualifying Jurisdictions"). To subscribe for Common Shares, a completed Rights Certificate and payment in full of the Subscription Price must be received by Computershare Investor Services Inc. (the "Subscription Agent" or "Computershare") prior to the Expiry Time. Rights not exercised prior to the Expiry Time will be void and of no value.

Rights Certificates will not be sent to Common Shareholders who are residents of any jurisdiction other than any of the Qualifying Jurisdictions. The Offering will not proceed in the United States. Rights which these Common Shareholders would otherwise be entitled to receive will be held by the Subscription Agent who will, prior to the Expiry Time, attempt to sell such Rights on the open market, on a best efforts basis and the net proceeds thereof, if any, will be forwarded to such Common Shareholders. See "Details of the Offering - Non-Participating Common Shareholders".

An investment in Common Shares is subject to certain risks which should be carefully considered. See "Risk Factors".

The Rights are listed on The Toronto Stock Exchange ("TSE"). The Common Shares issuable on exercise of the Rights are listed on the TSE as well.

Unless otherwise indicated, all references herein are to Canadian dollars.

TABLE OF CONTENTS

<p>BUSINESS OF THE COMPANY 1</p> <p>DETAILS OF THE OFFERING..... 1</p> <p>Rights and Certificates 1</p> <p>Purchase and Sale of Rights..... 2</p> <p>Expiry of Rights 2</p> <p>Additional Subscription Privilege 2</p> <p>Non-Participating Shareholders 2</p> <p>Registration and Delivery of Certificates</p> <p>Evidencing Common Shares 3</p> <p>Subscription Agent and Subscription Office 3</p> <p>Mandatory Sale of Certain Rights 3</p> <p>Solicitation Fees..... 3</p> <p>TRANSFER OF RIGHTS..... 4</p> <p>Trading..... 4</p> <p>HOW TO USE THE RIGHTS CERTIFICATE 4</p> <p>General..... 4</p> <p>Unexercised Rights 4</p> <p>Signatures..... 4</p> <p>To Subscribe for Common Shares - Form 1..... 5</p> <p>To Apply for Additional Common Shares</p> <p>- Form 2 5</p> <p>To Sell or Transfer Rights - Form 3..... 6</p> <p>To Divide, Combine or Exchange A Rights</p> <p>Certificate-Form 4..... 6</p> <p>Registration and Delivery of Common Shares ... 6</p> <p>PRINCIPAL COMMON SHAREHOLDERS ... 6</p> <p>DIRECTORS AND OFFICERS 7</p> <p>USE OF PROCEEDS 7</p> <p>DESCRIPTION OF SHARE CAPITAL..... 7</p> <p>Common Shares 8</p>	<p>DESCRIPTION OF SECURITIES 8</p> <p>Common Shares 8</p> <p>Warrants..... 8</p> <p>INCOME TAX CONSIDERATIONS 8</p> <p>TRADING HISTORY 8</p> <p>CONSOLIDATED CAPITALIZATION 10</p> <p>AUDITORS, REGISTRAR AND TRANSFER</p> <p>AGENT 10</p> <p>MATERIAL CHANGES 10</p> <p>RISK FACTORS..... 11</p> <p>Exploration, Production and Marketing Risks . 11</p> <p>Fluctuations in Metal Prices..... 11</p> <p>Limited Financial Resources 11</p> <p>Title..... 11</p> <p>Cash Flow 11</p> <p>Government Regulation 11</p> <p>Reliance on Management 12</p> <p>Economic Conditions 12</p> <p>Exploration and Development..... 12</p> <p>Operating Hazards and Risks 12</p> <p>Environmental Factors 12</p> <p>Competition and Agreements with Other</p> <p>Parties 13</p> <p>Conflicts of Interest..... 13</p> <p>Political and Economic Instability 13</p> <p>Dividends 13</p> <p>Currency Fluctuations 14</p> <p>Share Trading Volatility..... 14</p> <p>ENQUIRIES 14</p> <p>CERTIFICATE 14</p>
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HIGH RIVER GOLD MINES LTD.

BUSINESS OF THE COMPANY

High River is the corporation resulting from the amalgamation of High River Resources Ltd. and Nor-Acme Gold Mines Limited under the *Canada Business Corporation Act* by Certificate of Amalgamation dated December 5, 1988. High River's registered and executive office is located at Suite 1700, 155 University Avenue, Toronto, Ontario, Canada, M5H 3B7.

The Corporation is a mining company, with mineral exploration and development properties. The business of the Corporation is to acquire, explore, develop and operate precious metal, natural resource properties, either alone or in joint venture with other companies. The Corporation currently has three key projects: a joint venture interest in the New Britannia Mine, an operating gold mine located in the Province of Manitoba (the "New Britannia Mine"); an equity interest in the Russian company, JSC Buryatzoloto, which operates two producing gold mines in Siberia, Russia; and the Taparko Project in Burkina Faso, West Africa, which is at the pre-feasibility stage.

The Corporation owns a 50% interest in the New Britannia Mine near Snow Lake, Manitoba which is a joint venture with TVX Normandy Americas ("TVXNA") which owns the remaining 50%.

The Corporation has material equity investments in JSC Buryatzoloto and Intrepid Minerals Corporation. As stated above, Buryatzoloto holds interests in several properties in Siberia, Russia while Intrepid Minerals holds interests in properties in Central America, Mexico and Ontario.

The Corporation is continually reviewing and assessing exploration stage and more advanced properties with a view to acquiring interests in additional properties which have significant merit. The corporate objective of High River is to identify and acquire gold projects that indicate production potential of 100,000 ounces of gold per year, potential ore reserves of one million ounces and which have potential for early development and production.

Reference is made to the Company's audited financial statements and Management's Discussion and Analysis for the year ended December 31, 2001.

DETAILS OF THE OFFERING

Rights and Certificates

Each registered holder of a Common Share is entitled to one Right for each Common Share held of record at the close of business on June 20, 2001 (the "Record Date"). Four (4) Rights plus \$0.40 will entitle the holder to subscribe for one Common Share (the "Basic Subscription Privilege"). See "Description of Securities".

Rights are evidenced by fully transferable certificates registered in the names of Common Shareholders of record on the Record Date (the "Rights Certificates"). A Rights Certificate evidencing the total number of Rights to which a Common Shareholder is entitled has been delivered with a copy of this Circular to each Common Shareholder of the Company resident in the Qualifying Jurisdictions. Fractional Common Shares will not be issued. Holders of Rights Certificates who exercise their Rights in full are also entitled

to subscribe for Additional Common Shares. See "Details of the Offering - Additional Subscription Privilege". **Subscriptions will not be accepted from Shareholders ("Non-Participating Shareholders") who are resident in any jurisdiction other than the Qualifying Jurisdictions.** See "Details of the Offering - Non-Participating Shareholders". A Right does not entitle the holder thereof to any rights whatsoever as a security holder of the Company other than to subscribe for and purchase Common Shares as described herein.

Only subscriptions for a whole number of Common Shares will be accepted; fractional Common Shares will not be issued.

Purchase and Sale of Rights

The Rights are listed and posted for trading on The Toronto Stock Exchange, and will remain listed until noon on the Expiry Date. The Rights evidenced by Rights Certificates may be transferred to others by delivery of such Rights Certificates, provided that the assignment form (Form 3) on the face of the Rights Certificate has been duly executed by the registered holder. See "How to Use the Rights Certificate - To Sell or Transfer Rights - Form 3". Rights may be bought or sold through any registered investment dealer or broker.

Payment of any service charge, commission or other fee payable in connection with the trading of Rights shall be the responsibility of the holders of the Rights.

Expiry of Rights

The Rights will expire at 4:00 p.m. (Toronto time) on July 26, 2001. **Rights not exercised prior to the Expiry Time will be void and of no value.**

Additional Subscription Privilege

A holder of a Rights Certificate who has fully exercised the Rights evidenced thereby and subscribed for the maximum number of Common Shares to which such holder is entitled pursuant to the Basic Subscription Privilege may subscribe for additional Common Shares at the Subscription Price. The Common Shares available for such purpose shall be those Common Shares offered hereunder that have not been subscribed and paid for at the Expiry Time (the "Additional Common Shares"). Where there are a sufficient number of Additional Common Shares to satisfy all additional subscriptions under the Additional Subscription Privilege, each holder who has validly subscribed for Additional Common Shares will be allotted the number of Additional Common Shares for which such holder has subscribed. If there should be an insufficient number of Common Shares available to satisfy the subscriptions for Additional Common Shares, each holder who has validly subscribed for Additional Common Shares will be allocated Additional Common Shares in the manner described under "How to Use the Rights Certificate - To Apply for Additional Common Shares - Form 2".

Non-Participating Shareholders

The Rights are not qualified for sale under the securities laws of any jurisdictions other than the Qualifying Jurisdictions and accordingly, Rights Certificates will not be sent to Common Shareholders who reside in any such other jurisdictions ("Non-Participating Shareholders"). Instead, Non-Participating Shareholders will be sent a letter advising them that their Rights Certificates will be issued to and held by the Subscription Agent, who will hold such Rights as agent for the benefit of all Non-Participating Shareholders. The Subscription Agent will, prior to the Expiry Time, attempt to sell the Rights on such

date or dates, on a best efforts basis, and at such price or prices as the Subscription Agent determines, in its sole discretion. The Subscription Agent's ability to sell such Rights, and the price obtained therefor, are dependent on market conditions. The Subscription Agent shall not be subject to any liability for failure to sell any Rights of Non-Participating Shareholders at a particular price, or at all. The net proceeds, if any, received by the Subscription Agent from the sale of such Rights will be divided among the Non-Participating Shareholders *pro rata* according to the number of Common Shares held by them on the Record Date. The Subscription Agent will mail cheques therefor in an amount equal to the proceeds of such sale (net of reasonable expenses and any amount withheld in respect of Canadian taxes) to Non-Participating Common Shareholders at their addresses appearing on the records of the Company on the Record Date. There is a risk that the proceeds received from the sale of the Rights will not exceed the brokerage commissions, if any, incurred by the Subscription Agent, and charges of the Subscription Agent in respect of the sale of such Rights. In that event, no proceeds will be credited to such holders.

A registered Common Shareholder whose address appears on the records of the Company as other than in the Qualifying Jurisdictions, but who holds Rights on behalf of a holder who is eligible to participate in this Rights Offering, must notify the Subscription Agent, in writing, on or before the seventh day prior to the Expiry Time that the beneficial holder, on behalf of whom such Common Shares are held, wishes to participate in this Rights Offering; in that case, the registered Common Shareholder giving notification must provide evidence, satisfactory to the Subscription Agent and the Company, as to eligibility of the beneficial holder. Otherwise, the Subscription Agent will sell the Rights held on such beneficial holder's behalf as described above. **Accordingly, the Subscription Agent will not commence to attempt to sell Rights of Non-Participating Shareholders until after the seventh day prior to the Expiry Time.**

Registration and Delivery of Certificates Evidencing Common Shares

Common Shares acquired through the exercise of Rights will be registered in the name of the person to whom the Rights Certificate was issued or to whom the Rights are transferred in accordance therewith. Certificates evidencing such Common Shares will be mailed within 3 business days of the Expiry Date to such persons who have exercised their Rights at the address specified on the Rights Certificate.

Subscription Agent and Subscription Office

Computershare at its offices located at 100 University Avenue, Toronto, Ontario M5J 2Y1, (the "Subscription Office") has been appointed as the Company's subscription agent (the "Subscription Agent") to receive subscriptions and payments from holders of Rights Certificates and to perform certain services relating to the exercise of the Rights. The Company will pay for the services of the Subscription Agent.

Mandatory Sale of Certain Rights

Right Certificates returned to the Subscription Agent as undeliverable will be sold by the Subscription Agent, on a best efforts basis, as agent of the holders of such Right Certificates, and the net proceeds of sale, if any, will be credited to such holders *pro rata* according to the number of Common Shares held by them on the Record Date. There is a risk that the proceeds received from the sale of the Rights will not exceed the brokerage commissions, if any, incurred by the Subscription Agent and charges of the Subscription Agent in respect of the sale of such Rights. In that event, no proceeds will be credited to such holders.

Solicitation Fees

The Company will pay to any registered dealer whose stamp appears on an exercised Rights Certificate

a commission of \$0.02 for each Common Share subscribed for under this Offering (other than those exercised by directors, officers, or any person holding more than 10% of the shares of the Company), subject to a minimum of \$25, (where the owner exercises rights with respect to ten board lots or more) and a maximum of \$1,500, in respect of Rights exercised by or on behalf of any single beneficial owner of Rights.

TRANSFER OF RIGHTS

The Rights Certificates will be in registered form. Rights may be transferred to others by delivery of the appropriate Rights Certificate, provided that the assignment form (Form 3) of such Rights Certificate has been duly executed by the registered holder. See "How to Use the Rights Certificate - To Sell or Transfer Rights - Form 3". Rights may be bought or sold through the usual investment channels, such as investment dealers or brokers.

Trading

The Rights will remain listed and posted for trading on The Toronto Stock Exchange until noon on the Expiry Date. The Common Shares of the Company, including the Common Shares issuable on exercise of the Rights, are listed and posted for trading on The Toronto Stock Exchange.

HOW TO USE THE RIGHTS CERTIFICATE

General

By completing the appropriate form on the Rights Certificate in accordance with the instructions outlined below and on the Rights Certificate, a holder may:

- (a) subscribe for Common Shares (Form 1);
- (b) subscribe for Additional Common Shares (Form 2);
- (c) sell or transfer Rights (Form 3); and/or
- (d) divide, combine or exchange a Rights Certificate (Form 4).

Unexercised Rights

A holder of a Rights Certificate who completes Form 1 so as to exercise some but not all of the Rights evidenced by such Rights Certificate shall be deemed to have elected not to exercise the balance of such Rights, and may not participate in the Additional Subscription Privilege unless the holder elects to divide the Rights Certificate by completing Form 4.

Signatures

When one or more of the forms on the Rights Certificate is signed by the original holder, the signature must correspond exactly with the name of the holder shown on the face of the Rights Certificate. If a form is signed by a trustee, executor, administrator or officer of a Company or any person acting in a fiduciary

or representative capacity, the Rights Certificate must be accompanied by evidence of authority to so sign satisfactory to the Subscription Agent.

To Subscribe for Common Shares - Form 1

Four (4) Rights and the Subscription Price are required to subscribe for one Common Share. The holder of a Rights Certificate may subscribe for all or any lesser number of Common Shares to which the Rights Certificate entitles such holder by completing Form 1 on the face of the Rights Certificate and delivering the Rights Certificate so completed together with the Subscription Price for such Common Shares to the Subscription Agent. The Subscription Price is payable in Canadian funds by certified cheque, bank draft or money order payable to the order of Computershare. All payments, together with the duly completed Rights Certificate, must be delivered to the Subscription Agent at the Subscription Office prior to the Expiry Time. **The method of delivery of a subscription is at each holder's discretion and risk. Delivery to the Subscription Agent will only be effective when the subscription is actually received by the Subscription Agent at the Subscription Office.** If mail is used for delivery of a subscription, sufficient time must be allowed to avoid late delivery, and registered mail is suggested. **Completion of Form 1 constitutes a representation that the holder of a Rights Certificate is not a Non-Participating Shareholder, or the agent of any such person.**

To Apply for Additional Common Shares - Form 2

A holder of a Rights Certificate who subscribes, pursuant to the Basic Subscription Privilege, for all of the Common Shares to which a Rights Certificate entitles such holder may subscribe for Additional Common Shares at the Subscription Price by completing Form 2 on the face of the Rights Certificate. Payment for the Additional Common Shares subscribed for under Form 2 must accompany the Rights Certificate when it is delivered to the Subscription Agent. If there should be insufficient Common Shares available to satisfy the subscriptions for Additional Common Shares, the number of Common Shares, if any, available to an applicant for Additional Common Shares will be equal to the lesser of:

- (a) the number of Common Shares which the applicant has subscribed for under the Additional Subscription Privilege, and
- (b) the number (disregarding fractions) obtained by multiplying the aggregate number of Additional Common Shares by a fraction the numerator of which is the number of Common Shares subscribed for by such holder under the Basic Subscription Privilege and the denominator of which is the aggregate number of Common Shares exercised under the Basic Subscription Privilege by all participants in the Additional Subscription Privilege.

If any Rights holder has subscribed for fewer Additional Common Shares than such holder's *pro rata* allotment of Additional Common Shares, the excess Additional Common Shares will be allocated in a similar manner among the holders who were allotted fewer Additional Common Shares than they subscribed for.

Payment for Additional Common Shares subscribed for pursuant to the Additional Subscription Privilege must be received by the Subscription Agent at the Subscription Office not later than the Expiry Time. As soon as practicable after the Expiry Time, the Subscription Agent will send to each holder who completed Form 2 certificates representing the Common Shares which have been allocated to such holder pursuant to the Additional Subscription Privilege (together with Common Shares to which such holder is entitled pursuant to the Basic Subscription Privilege), a notice specifying the aggregate subscription price

of such Additional Common Shares allocated and a cheque for the amount of any excess funds, without interest or deduction.

To Sell or Transfer Rights - Form 3

A Rights Certificate holder may, rather than exercising such holder's Rights to subscribe for Common Shares, sell or transfer such Rights personally or through the usual investment channels (such as stock brokers or investment dealers) by completing the transfer provided for in Form 3 on the face of the Rights Certificate and delivering the Rights Certificate to a purchaser (the "Transferee"). The Transferee may exercise all the Rights of such a holder without obtaining a new Rights Certificate. If a Rights Certificate is transferred in blank, the Company and the Subscription Agent may thereafter treat the bearer as the absolute owner of such Rights Certificate for all purposes and neither the Company nor the Subscription Agent shall be affected by any notice to the contrary.

The signature on Form 3 of any holder who is transferring his Rights Certificate must be guaranteed by an Eligible Institution, or otherwise to the satisfaction of the Subscription Agent. "Eligible Institution" means a Canadian chartered bank, trust company in Canada, a commercial bank or trust company having an office, branch or agency in Canada, a member of the Investment Dealers Association of Canada, a member of a recognized stock exchange in Canada or a member of the Securities Transfer Agents Medallion Project (STAMP). The signature of the Transferee on any one or more of the forms on the Rights Certificate must correspond exactly with the name of the Transferee shown on Form 3.

To Divide, Combine Or Exchange A Rights Certificate-Form 4

A Rights Certificate holder may divide, combine, or exchange a Rights Certificate by completing Form 4 on the face of the Rights Certificate, and delivering the Rights Certificate to the Subscription Agent.

Registration and Delivery of Common Shares

Common Shares acquired through the exercise of Rights, including Common Shares obtained through the acquisition of Additional Common Shares, will be dated as at the Expiry Date, and will be registered in the name of the person to whom the Rights Certificate was issued or such holder's transferee, if any, as indicated on the Rights Certificate. Certificates evidencing Common Shares will be mailed as soon as practicable after the Expiry Time in accordance with the delivery instructions specified on the Rights Certificate.

PRINCIPAL COMMON SHAREHOLDERS

To the knowledge of the Company as at the date hereof, there are no persons who beneficially own or exercise control over more than 10% of voting rights attached to the Common Shares as at the date of this offering, other than the following:

<u>Name</u>	<u>Number Of Common Shares</u>	<u>Percentage</u>
Jipangu Inc.	7,940,000	21.59%

Officers and directors of the Company, as a group, hold a total of 1,423,163 Common Shares (3.87%).

DIRECTORS AND OFFICERS

The names and positions of the directors and senior officers of the Company are as follows:

<u>Name</u>	<u>Position with the Company</u>
Balabanov, Alexandre	Director
Bullock, W. Derek	Director
Cameron, Drifffield M.	Vice President, Exploration
Chieng, Michael Y. C.	Director
Mosher, David V.	President, Chief Executive Officer and Director
Whalen, Donald A.	Chairman, Vice President, Marketing and Director

The above directors were elected at the annual and special meeting of shareholders held on June 14, 2000. On June 15, 2000 the directors met to appoint management. Mr. David V. Mosher, a professional geologist, who had served as President of High River for several years, was appointed as President and Chief Executive Officer. Mr. Donald A. Whalen, who had served as Chairman, was appointed as Chairman and Vice President, Marketing. Mr. Drifffield M. Cameron was appointed as Vice President, Exploration.

Since the date of the last annual and special meeting of shareholders held on June 14, 2000, there has been no change in directors and officers of the Company.

USE OF PROCEEDS

Proceeds will be used to continue work on a deep drilling program on the Taparko project and for general corporate purposes (including the acquisition of additional shares of Buryatzoloto from time to time, as considered appropriate). In order to minimize costs, management significantly reduced exploration activity and support staff at Taparko. In addition, corporate expenses have been restricted to "essential activities only" since the beginning of year 2000.

The maximum estimated proceeds of this offering, assuming full exercise of the Rights, will be \$3,677,240 before deducting expenses of the offering estimated at \$25,000.

There is no soliciting dealer for the offering, and there is no stand-by commitment. There is no minimum amount for the offering.

DESCRIPTION OF SHARE CAPITAL

The authorized Common Share capital of the Company consists of an unlimited number of Common Shares. As at the date of this Circular, 36,772,400 Common Shares are issued and outstanding.

Common Shares

Each Common Share entitles the holder thereof to vote at all meetings of Common Shareholders and, subject to the rights, privileges, restrictions and conditions attaching to any other class of Common Shares, to receive the remaining property of the Company upon liquidation, dissolution or winding-up.

As of the date hereof, the Company has 2,715,000 options (the "Options") outstanding. Each Option entitles the holder thereof, upon payment of an exercise price ranging from \$0.60 to \$1.75 to subscribe for one Common Share at any time, with expiry dates ranging from July 1, 2001 to August 1, 2005.

As of the date hereof, the Company has 3,585,716 warrants outstanding. Each warrant entitles the holder thereof, upon payment of the exercise price, to subscribe for one Common Share until the expiry date. Details of the outstanding warrants are 300,000 warrants to acquire common shares at \$0.75 per common share until November 7, 2001, 1,571,430 warrants to acquire common shares at \$0.50 per common share until February 28, 2002, and 1,714,286 warrants to acquire common shares at \$0.50 per common share until May 31, 2002.

DESCRIPTION OF SECURITIES

The following is a brief summary of the material attributes and characteristics of the securities of the Company. This summary does not purport to be complete.

Common Shares

See above-"Description of Share Capital".

Warrants

See above-"Description of Share Capital".

INCOME TAX CONSIDERATIONS

Holders are advised to consult their own tax advisors for advice concerning the particular income tax consequences to them relating to the Rights and Common Shares.

TRADING HISTORY

The Common Shares of the Company are listed on The Toronto Stock Exchange under the symbol "HRG". The following table sets forth for the periods indicated the high and low ranges and trading volumes of the Common Shares of the Company on The Toronto Stock Exchange:

	<u>High</u>	<u>Low</u>	<u>Volume</u>
<u>2001</u>			
January .....	.32	.22	711,093
February .....	.40	.23	525,059
March.....	.50	.29	389,690
April .....	.39	.32	212,032
May.....	.75	.34	1,273,800
June 1-6.....	.59	.52	62,000
<u>2000</u>			
January .....	.54	.46	391,592
February .....	.90	.46	423,910
March.....	.64	.47	438,024
April.....	.65	.50	354,984
May.....	.65	.47	217,473
June.....	.58	.47	287,247
July .....	.55	.37	523,876
August .....	.40	.31	232,935
September .....	.40	.34	152,883
October .....	.37	.30	118,700
November .....	.37	.27	144,430
December.....	.34	.24	642,915
<u>1999</u>			
January .....	.65	.46	373,433
February .....	.61	.45	439,297
March.....	.75	.48	1,448,270
April.....	.73	.60	698,740
May.....	.70	.48	307,196
June.....	.55	.41	241,625
July .....	.64	.30	130,452
August .....	.56	.37	172,284
September .....	.98	.45	782,648
October .....	.90	.57	994,569
November .....	.65	.49	729,796
December.....	.55	.44	574,595

The closing trading price of the Common Shares on The Toronto Stock Exchange on June 6, 2001 (the day prior to setting the subscription price) was \$0.59 per Common Share.

CONSOLIDATED CAPITALIZATION

The following table sets forth the consolidated capitalization of the Company as at the dates indicated.

	Outstanding as at December 31, 2000 (audited)	Outstanding as at March 31, 2001 (unaudited)	Pro-forma Outstanding as at March 31, 2001, after giving effect to this issue (1) (unaudited)
Current Debt (convertible debenture)	\$6,935,000	\$7,077,000	\$7,077,000
Long-term Debt (non-recourse)	\$ 34,508,000	\$ 35,239,000	\$ 35,239,000
Shareholders' equity	\$13,822,000	\$12,486,000	\$15,528,585
Common shares issued (authorized: an unlimited number without par value)	33,486,684 shares	35,058,114 shares	43,822,643 shares
Deficit	(\$44,885,000)	(\$46,610,000)	(\$46,610,000)

Notes:

1. Assumes the issue is fully subscribed.
2. Costs associated with this rights offering (estimated to be approximately \$25,000) will be charged against share capital.
3. Common share stock options outstanding as of the date hereof are 2,715,000, at prices ranging from \$0.60 to \$1.75. If all options were to be exercised, the proceeds to the Company would be \$3,019,400.
4. At March 31, 2001, there were 1,871,430 warrants outstanding, to purchase 300,000 common shares at \$0.75 per share (expiring November 7, 2001) and 1,571,430 common shares at \$0.50 per share (expiring February 28, 2002).

AUDITORS, REGISTRAR AND TRANSFER AGENT

The auditors of the Company are PricewaterhouseCoopers LLP. The registrar and transfer agent for the Common Shares is Computershare.

MATERIAL CHANGES

There have been no material changes in the business, operations or capital of the Company since the date of the audited financial statements of the Company for the year ended December 31, 2000 (being the latest audited financial statements of the Company), except as disclosed herein, in the management information circular of the Company dated April 30, 2001, and in the interim financial statements of the Company for the three months ended March 31, 2001. On May 31, 2001, the Company completed a private placement of 1,714,286 units at \$0.35 each for total proceeds of \$600,000.10. Each unit was comprised of one common share and one common share purchase warrant. Each common share purchase warrant may be exercised for one common share at \$0.50 until May 31, 2002.

RISK FACTORS

The operations of the Company are speculative due to the high risk nature of its business which is mining, exploration and development of mineral properties. In addition to risks described elsewhere herein, Common Shareholders should note the following:

Exploration, Production and Marketing Risks

Exploring for mineral deposits and producing mineral properties involve risks which even a combination of experience, knowledge and careful evaluation may not be able to overcome. The marketability of the minerals discovered by the Company will be affected by numerous factors beyond the control of the Company. These factors include market fluctuations, and government regulation (including regulation relating to environmental protection, royalties, allowable production and pricing).

Fluctuations in Metal Prices

The commercial viability of the Company's mineral deposits, if proven, will also be dependent upon the market price of the metal commodity. The price of metals fluctuates widely, and is affected by numerous factors beyond the Company's control.

Limited Financial Resources

It is likely that the Company will incur substantial additional expenditures to establish reserves, develop processes for the extraction of minerals and otherwise position its exploration properties for commercial production. The Company may not be able to fund such expenditures from its own resources. The Company may elect to carry out such activities pursuant to joint venture agreements or arrangements between the Company and other mining companies or third parties.

Title

The Company is satisfied that evidence of title to mining claims and mineral concessions is adequate and acceptable by prevailing industry standards; however, there is no guarantee a party will not challenge or impugn such title.

Cash Flow

The Company currently has no source of operating cash flow. Any significant work, other than that detailed in "Use of Proceeds", may require additional equity or debt financing. The lack of adequate cash flow or additional financing could result in delay or indefinite postponement of further exploration or development of the Company's properties, and the possible partial or total loss of the Company's interest in certain properties.

Government Regulation

The activities and operations of the Company are subject to various laws and regulations relating to such matters as environmental protection, labour standards, occupational health and safety, mineral exploration, development, production and export, taxation and other matters. The Company believes that it is in substantial compliance with all current laws and regulations affecting its activities and operations.

New laws and regulations, amendments to current laws and regulations or the more significant application of such laws and regulations could have a materially adverse impact on the Company.

Reliance on Management

The Company is heavily reliant on the experience and expertise of its executive officers. If any of these individuals should cease to be available to manage the affairs of the Company, its activities and operations could be adversely affected.

Economic Conditions

General levels of economic activity and recessionary conditions may have an adverse impact on the Company's business.

Exploration and Development

Some of the mineral properties in which the Company has an interest or in respect of which the Company has a joint venture arrangement are in the exploration stage only and are without a known body of commercial ore. Development of the Company's mineral properties will only follow upon obtaining satisfactory exploration results. Mineral exploration and development involves a high degree of risk and few properties which are explored are ultimately developed into producing mines. There is no assurance that the Company's mineral exploration and development activities will result in any additional discoveries of commercial bodies of ore. The long-term profitability of the Company's operations will be in part directly related to the cost and success of its exploration programs, which may be affected by a number of factors.

Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. Although substantial benefits may be derived from the discovery of a major mineralized deposit, no assurance can be given that minerals will be discovered in sufficient quantities to justify commercial operations or that the funds required for development can be obtained on a timely basis.

Operating Hazards and Risks

Mineral exploration and development involves many risks, which even a combination of experience, knowledge and careful evaluation may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration, development and production of gold and other metals, any of which could result in work stoppages, damage to property, and possible environmental damage. The nature of these risks is such that liabilities might exceed insurance policy limits, the liabilities and hazards might not be insurable against, or the Company might not elect to insure itself against such liabilities due to high premium costs or other reasons, in which event the Company could incur significant costs that could have a materially adverse effect upon its financial condition.

Environmental Factors

All phases of the Company's operations are subject to environmental regulation in the various jurisdictions in which it operates. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for noncompliance, more stringent

environmental assessments of proposed properties and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations.

Competition and Agreements with Other Parties

The mining industry is intensely competitive in all of its phases, and the Company competes with many companies possessing greater financial resources and technical facilities than itself. Competition in the mining business could adversely affect the Company's ability to acquire suitable properties or prospects for mineral exploration in the future.

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Company may have its interest in the properties subject to such agreements reduced as a result. Furthermore, if other parties to such agreements do not meet their share of such costs, the Company may be unable to finance the cost required to complete recommended programs.

Conflicts of Interest

Certain officers and directors of the Company are officers and/or directors of, or have significant shareholdings in, or are associated with other natural resource companies that acquire interests in mineral properties. Such associations may give rise to conflicts of interest from time to time. Accordingly, mineral exploration opportunities or prospects of which they become aware will not necessarily be made available to the Company. The directors and officers intend to allocate opportunities or prospects from time to time amongst the various companies in which they are involved on the basis of prudent business judgment and the relative financial abilities and needs of the companies to participate. The directors are required by law to act honestly and in good faith with a view to the best interests of the Company and its Common Shareholders and to disclose any personal interest which they may have in any material transaction which is proposed to be entered into with the Company and to abstain from voting as a director for the approval of any such transaction.

Political and Economic Instability

Certain of the Company's exploration, development and production activities occur in foreign countries and, as such, the Company may be affected by possible political or economic instability in those countries. Changes in mining or investment policies or shifts in political attitude in those countries may adversely affect the Company's business. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, maintenance of claims, environmental legislation, land use, land claims of local people, water use and mine safety. The effect of these factors cannot be accurately predicted.

Dividends

The Company has not declared or paid any dividends on its Common Shares and does not currently intend to pay dividends. Earnings, if any, may be retained to finance further growth and development of the business of the Company.

Currency Fluctuations

The Company is subject to exchange variations against the Company's functional currency, the Canadian dollar, and for purchases of certain goods and services in Russian roubles, Burkina Faso CFA's currency, and United States dollars. Currency values have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control including international, economic, and political trends, expectations of inflation, currency exchange fluctuations, interest rates and global or regional consumptive patterns.

Share Trading Volatility

In recent months, gold equities have declined by very substantial amounts, in terms of both price and volume traded. The securities of many companies, particularly those considered development stage companies, have experienced wide fluctuations in price which have not necessarily been related to the operating performance, underlying asset values or the prospects of such companies. There can be no assurance that continual fluctuations in price will not occur.

ENQUIRIES

Enquiries relating to this offering should be addressed to the Company at (416) 947-1440.

CERTIFICATE

The foregoing contains no untrue statement of a material fact and does not omit 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.

June 7, 2001.

HIGH RIVER GOLD MINES LTD.

"David Mosher"

(signed) David V. Mosher
President, Chief Executive Officer and
Director

"Donald Whalen"

(signed) Donald A. Whalen
Chairman, Vice President, Marketing and
Director

"Derek Bullock"

(signed) Derek Bullock
Director