



**NEWMONT USA LIMITED,
d/b/a Newmont Mining Corporation**

**Mill #4
Sale of Assets and Demolition
Award to:**

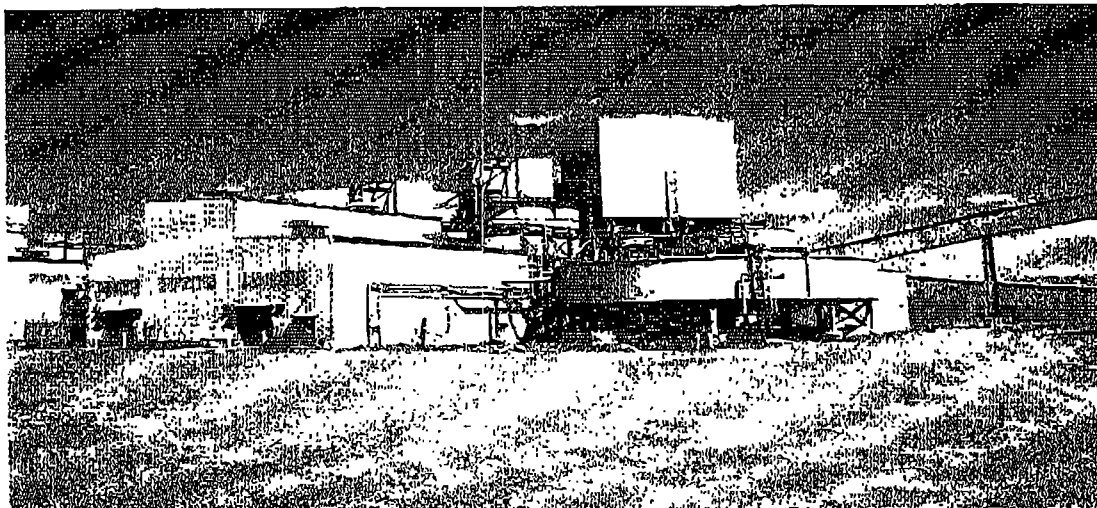


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NEVADA OPERATIONS
RFP-04-024
August 16, 2004

Sale Agreement Newmont Mill 4 Gold Ore Processing Facility



Purpose

The purpose of this agreement is to tender the sale of Newmont's Mill 4 and define a sound plan for the safe removal of assets and demolition of the plant. This agreement, together with the accompanying documents, are structured to define responsibilities, expectations, and requirements for a formal purchase agreement.

All commercial inquiries regarding the aspects of this agreement shall be directed to:

Mr. Brian Armstrong
Phone (775) 778-4207
Fax (775) 778-4757
Email: brian.armstrong@newmont.com

Mail
Newmont USA Ltd
PO Box 669
Carlin, NV 89822-0669

Technical inquiries shall be directed to:

Mr. Harvey Hill
Phone (775) 778-4303
Email: harvey.hill@newmont.com

Agreement

Through a tendering process "Request for Bid" on RFP-04-024, High River Gold Mines Ltd. has been awarded the sale of Newmont Mining Corporations "Mill 4" Gold Ore Processing Facility located approximately 20 miles North of Carlin Nevada.

High River Gold Mines Ltd. (HRG) through its wholly owned subsidiary Amur Gold Limited in Cyprus will pay Newmont the sum of [REDACTED] for the title to the Mill 4 assets, and [REDACTED] for a Traylor 48"x60" Jaw Crusher located at McCoy Mine. High River Gold Mines Ltd. will contract the demolition and equipment removals as per the terms herein. HRG acknowledges receipt and compliance requirements with Newmonts Environmental, and Health & Safety Procedures. Compliance with these procedures will also extend to all contractors and subcontractors employed by HRG in respect to demolition to Mill 4.

The total amount for all assets being purchased is [REDACTED] High River Gold Mines Ltd. will wire an initial deposit of [REDACTED] upon signing this agreement. The remainder will be paid in three installments: **Monies will be wired directly to Newmonts Account - [REDACTED] No Invoices will be required.**

- [REDACTED] on October 1st, 2004
- [REDACTED] on November 1st, 2004
- [REDACTED] on December 1st, 2004

High River Gold Mines Ltd. intends to complete demolition before the end of the year and desires to transport the components into Siberia before the spring thaw effects the local roads. HRG acknowledges that demolition and equipment removal are contingent upon Nevada Regulatory Approval and that a plan is being submitted for that approval at this time.

High River Gold Mines Ltd. will secure a Surety Bond in the amount of [REDACTED] with Newmont named as the insured, to insure all demolition work is done to the standard Newmont requires. HRG will use only Newmont Approved Contractors and Subs, and HRG understands that failure to comply (Newmonts sole discretion) with the attached policies and procedures may result in contractor removal and job shutdown.

High River Gold Mines Ltd. has declared that this plant is being purchased and will be transported overseas. HRG certifies that any taxes due will be paid directly by them to the proper taxing authorities.

BILL OF SALE AND AGREEMENT

This Bill of Sale and Agreement (this "Agreement"), dated this 27th day of August, 2004, is entered into by and between Newmont USA Limited, d/b/a Newmont Mining Corporation a Delaware Corporation ("Seller"), and High River Gold Mines Ltd., a Canadian Corporation ("Buyer").

RECITAL

Seller is the owner of that certain personal property described in more detail on Exhibit A attached hereto (the "Property"). Buyer desires to purchase from Seller, and Seller desires to sell to Buyer, all of Seller's rights with respect to the Property.

AGREEMENT

In consideration [REDACTED] paid by Buyer to Seller, and other good and valuable consideration, including **Demolition Services**, and the covenants and agreements set forth below, the receipt and adequacy of which are hereby acknowledged, Seller and Buyer agree as follows:

1. Conveyance by Seller. Seller hereby conveys, transfers, and assigns to Buyer, free and clear of all liens and encumbrances, all of Seller's right, title, and interest in and to the Property. Seller hereby warrants and agrees to defend title to the Property against all claims of any person claiming by or through Seller. Each of Buyer and Seller shall execute and deliver to the other such further instruments of conveyance as may be reasonably necessary to effect the intent of this Agreement.

2. Assumption. Buyer hereby assumes and agrees to pay, perform, fulfill, and discharge any and all obligations and liabilities of Seller arising under or with respect to the Property from and after the date hereof.

3. WARRANTY DISCLAIMER. Buyer acknowledges and agrees that: (a) the Property is of a size, design and make selected by Buyer, (b) the Property is suitable for Buyer's purposes, (c) the Property contains all safety features deemed necessary by Buyer, (d) Seller is not the manufacturer of the Property, (e) **THE PROPERTY IS BEING SOLD "AS IS,"** and (f) **OTHER THAN THE WARRANTY OF TITLE, AS SET FORTH IN SECTION 1, ABOVE, SELLER HAS NOT MADE, AND DOES NOT HEREBY MAKE, ANY REPRESENTATION OR WARRANTY, EXPRESS OR IMPLIED, WITH RESPECT TO THE MERCHANTABILITY, CONDITION, QUALITY, DESCRIPTION, OR DURABILITY OF THE PROPERTY, OR ITS FITNESS FOR A PARTICULAR PURPOSE.** Seller hereby assigns to Buyer, to the extent assignable, any warranties of the Property by its manufacturer(s) and/or vendor(s), provided that any action taken by Buyer by reason thereof shall be at the expense of Buyer.

4. Property Removal. Buyer, at its expense, shall be solely responsible for removing the Property from Seller's property (the "Site") in accordance with the terms set forth on Exhibit B attached hereto (the "Property Removal"). In conducting the Property Removal, Buyer shall, and shall cause all third parties with which it contracts for the Property Removal ("Contractors") to, adhere to all laws, regulations, decrees, codes, ordinances, resolutions, and other acts of any applicable governmental

authority applicable to the Property Removal, including but not limited to those governing health, safety, and the environmental, and to all reasonable rules and procedures of Seller (including but not limited to those set forth on Exhibit C attached hereto) which have been conveyed to Buyer by Seller, either verbally or in writing. Buyer shall provide all Contractors with a copy of Exhibit C and ensure that all Contractors adhere to the same. At the request of Seller, Buyer shall immediately remove from the Site and from participation in any aspect of the Property Removal any individual that Seller determines, in its sole, absolute, and unreviewable discretion, poses a danger to the safety or health of those around him or her (including but not limited to because of the individual's use of alcohol or drugs) or is otherwise unfit or incompetent to perform the Property Removal.

5. ASSUMPTION OF RISK; RELEASE; COVENANT NOT TO SUE. Buyer hereby expressly acknowledges that it has had the opportunity to undertake any desired investigation of the Site and is fully aware of and understands the risks associated with the Site. Buyer hereby assumes all risks of and responsibility for any loss, damage (property or otherwise), injury, or death (collectively, "Injuries") to Buyer, Contractors, their respective employees and agents, and any other third party (each, a "Buyer Party") based on or arising out of the Property Removal. Buyer (a) discharges and releases Seller, its affiliates, and their respective officers, directors, employees, and agents (each, a "Releasee") from any and all liabilities, claims, demands, causes of action, debts, accounts, damages, costs, losses, and expenses, of any nature whatsoever, that Buyer or any Buyer Party claiming through Buyer may have now or in the future as a result of Injuries resulting from or arising in connection with the Property Removal, and (b) covenants that Buyer shall not at any time in the future, directly or indirectly, commence or prosecute any action, suit, or other proceeding against any Releasee concerning Injuries resulting from or arising in connection with the Property Removal.

6. Indemnification. Buyer shall indemnify and hold harmless each Releasee from and against any liability, claim, damage, loss, cost, or expense, including but not limited to reasonable attorneys' fees, incurred or suffered by such Releasee which arises out of or otherwise relates to the Property as it exists on or after the date hereof, including without limitation any arising out of or otherwise relating to the Property Removal.

7. Insurance. Buyer shall, and shall cause all Contractors to, procure and maintain, without expense to Seller, the following insurance coverages while any Property Removal takes place at the Site: (a) Automobile Liability Insurance covering all owned, non-owned, and hired vehicles involved in the Property Removal, with bodily injury limits of not less than [REDACTED] each person and [REDACTED] each accident and property damage limits of not less than U.S. [REDACTED] each accident; (b) Workmen's Compensation and Occupational Disease Disability Insurance (Employer's Liability Insurance), if and as required by the laws of the state(s) wherein the Property Removal is to be performed; and (c) Commercial General Liability Insurance (which shall include coverages for Independent Contractors, Blanket Contractual, Broad Form Property Damage, and Personal Injury) with limits of not less than [REDACTED] each occurrence and [REDACTED] annual aggregate. Seller shall be named as an additional insured on the policies required under (a) and (c) above.

8. Entire Agreement; Amendments; Counterparts. This Agreement embodies the entire agreement between the parties hereto with respect to the subject matter hereof and supersedes all prior agreements and understandings, oral or written, with respect thereto. This Agreement may not be modified orally, but only by an agreement in writing signed by the party or parties against whom any waiver, change, amendment, modification, or discharge may be sought to be enforced. This Agreement may be executed in

one or more counterparts, each of which shall constitute an original Agreement and all of which together shall constitute one and the same Agreement.

9. Governing Law. The validity, performance, and enforcement of this Agreement shall be governed by the laws of the State of Nevada, without giving effect to the principles of conflicts of law of that state.

10. Survival. The provisions set forth in Sections 2, 3, 4, 5, 6, and 7, above, shall survive the consummation of the sale of the Property and the fulfillment of all other obligations hereunder.

Seller and Buyer have executed this Agreement as of the date first written above.

NEWMONT USA LIMITED,

By: Richard M. Perry
Name: RICHARD PERRY
Title: V.P., North American Operations

8/30/2004

High River Gold Mines Ltd.

By: [Signature]
Name: DANIEL VANIN
Title: EXECUTIVE V.P AND C.O.O.

Buyer agrees to all terms and conditions mentioned and contained herein. Buyer expressly understands that failure to comply with these conditions may result in delays, including but not limited to contractor removal from property and job shutdown.

[Signature]

EXHIBIT A
TO
BILL OF SALE AND AGREEMENT
Description of Property

DEFINITION OF INCLUDED / EXCLUDED - SALE OF ASSETS FOR MILL 4

INCLUDED:

- Three (3) Reclaim feeders underneath the crushed ore stockpile
- Mill feed conveyors from reclaim feeder into the mill
- Conveyors between Secondary and Mill buildings
- All existing equipment in the Secondary building
- SAG Mill and all existing circuitry including inching drive, clutch, conveyances, pumps, motors, and lube. (missing a pump)
- Ball Mill and all existing circuitry including lube, clutch, conveyances, pumps, & motors (missing inching drive)
- Cyclone manifolds (missing cyclones) Feed Pumps, and area Sump Pumps
- All Screens, and related Pumps, Belts, Piping, Motors, etc...
- Thickener Underflow, and Overflow Pumps, Surge Tanks and Agitators
- All Carbon Column Tanks, Pumps, and related Components
- All CIL Tanks, Agitators, Drives, Pumps, and related Components.
- All Carbon Absorption and Recovery Systems, including Tanks, Pumps, Screens, conveyances, etc..
- All Slurry and Flocculant Pumps, Flocculant Feeder, Blower, Mix Tank, Stock Tank, Etc...
- 100 Ton Lime Silo with Dust Collector and screw feeder
- Mill Solution Tank, Tailings Pumps, and Reclaim Water Pumps
- Fresh Water Tank, Pumps, Pipes, Potable Tank, and Pump House
- Fire Water Pumps, pipes, etc... (some equipment missing)
- Grinding Building with all Structures and Walks
- Cyanide Tank, Mixer, Transfer and Feed Pumps
- 50/10 Ton Crane, 20 Ton Crane, and all Misc. Hoists
- All Existing Motor Control Centers (MCC), Transformers, and Other Electrical Switchgear
- Spare Bull Gear for Ball Mill, Spare Pinion for SAG Mill, and all Spare Liners in Yard
- All other Spare Parts in the Warehouse and Laydown Yard at Mill 4
- Buildings, Plant - Mill Grinding, Secondary Crusher, Maintenance Shop, Water Pump House, MCC Rooms, and all other structures within the fenced area.
- Mill Liner Handler
- Overland Conveyor

EXCLUDED:

- Oversize Crusher 4300CR01 (Sold)
- Primary Gyratory Crusher and Krupp Feeder Plant (Sold)
- Cyclones, pumps, motors, controls and other components currently missing
- Plant Main Air Compressors (2 each)
- Thickener Tank, Mechanisms, Rake, Feed Tank, Structural Steel, and Instrumentation.
- 22,000 Gallon Fresh Water Tank (Crusher Area)
- Portable CAT Generator 1100KW
- Eight Derrick interstage screens (on top of leach tanks)
- Some components being stored in the grinding bay for our other facilities



**EXHIBIT B
TO
BILL OF SALE AND AGREEMENT**

Property Removal Terms

Buyer shall remove the Property from Seller's property located at:

Mill 4 Located next to the Barrick Mine, approximately 20 miles North of Carlin Nevada

Buyer shall remove the Property on or before (the "Removal Date):

Property will be removed by August 1st 2005

If the Property is not removed by the Removal Date, Buyer shall pay to Seller a daily storage fee in the amount of [REDACTED] per day, commencing on the day after the Removal Date and continuing through the date that the Property is actually removed from Seller's property.

Buyer agrees to all terms and conditions mentioned and contained herein. Buyer expressly understands that failure to comply with these conditions may result in delays, including but not limited to contractor removal from property and job shutdown.

**EXHIBIT C
TO
BILL OF SALE AND AGREEMENT**

Seller Rules and Procedures

1. All individuals at the Site shall be properly MSHA trained and certified.
2. All individuals at the Site shall be properly fitted with and shall utilize personal protective equipment (such as hard hats, safety glasses, and steel toe boots) at all times while at the Site.
3. There shall be no use, sale, transfer, purchase, or possession of a controlled substance (i.e. illegal drugs), alcohol, or firearms while at the Site, nor shall any individual at the Site have alcohol or controlled substances in such individual's system.
4. Compliance to all procedures attached herein

**SCOPE OF WORK AND DETAILED SPECIFICATIONS
STATEMENT OF DEFINED WORK**

High River Gold Shall:

- Triple rinse all process-related structures and equipment before removal from site, or to a designated Class 3 landfill. Rinse water goes to the mill 4 tails south of the mill building. It is suggested the contractor use the existing concrete floor as the containment for rinsing.
- Provide equipment for rinsing and moving demolished material to landfill. Leave site clean of debris. Machinery to cover landfill (truck, dozer, contractor).
- Provide all necessary resources to prevent demolition debris from escaping the site parameter during demolition and transportation to a landfill.
- Provide all other necessary demolition equipment including cranes, trucks, shears, water trucks, rock breakers, etc.
- Level concrete stems walls to grade only (foundations left in place). The mill support pillars will need to be leveled, and the floor will need to be rinsed prior to covering with earth.
- All underground pipes will be cleaned and capped at both ends.
- Perform sampling/testing to confirm safe conditions when entering, cutting, or performing other work in tanks or other confined spaces.
- Follow all Newmont Policies & Procedures regarding Health and Safety, Environmental,



- Drug & Alcohol, Clean and report any spills, attend daily safety meetings, etc...
- All work will be in full compliance of all other applicable State, Federal, OSHA, and MSHA regulations
- Contractor must submit plans on building, solution tanks, and piping demolition.
- Provide qualified personnel to perform electrical terminations.
- Provide equipment and cribbing for the storage and/or shipment of removed equipment.

Newmont Shall:

- Conduct site specific orientation training.
- Retain any hazardous materials found during equipment disassembly or building demolition.
- Provide approvals for all property removals including scrap metals
- Provide landfill space, and sufficient borrow source material for cover on landfill.
- Designate an accessible location for match-mark load out and/or storage areas.
- Perform environmental sampling and analyses of materials.
- De-energize power.
- Remove salvageable cable and lines.
- Provide sufficient source material for covering concrete. (Stacker Pad?)

Mill 4; Mill Demolition and Equipment Removal;

The Primary Crusher, will be removed by a third party.

The Overland Conveyor System will be dismantled and taken away. The concrete footings will be knocked down and taken to the landfill. The Reclaim Feeders, will be removed from tunnels. The tunnels must be excavated, or cut and backfilled. In the event that the stacker pad is used as a borrow source for cover, the tunnels will be broken up and taken to the landfill. For the purpose of introduction and familiarizing the buyer with the expected costs, we estimate this cost to be [REDACTED]

The SAG Mill, Ball Mill, Cyclone Packs, Feed Pumps, Screens, Cranes, Conveyors, Underflow and Overflow Pumps, Thickener Feed Pumps, Carbon Columns, CIL Tank and Agitator drives, Reagent facilities, and other usable equipment will be removed, and set aside to the buyer. For the purpose of introduction and familiarizing the buyer with the expected costs, we estimate this cost to be [REDACTED]

Demolition: Grinding Bay Building, Maintenance Shop, Secondary Crusher, and all Remaining Tanks, and Surrounding Structures, demolition to ground level, landfill waste, Level concrete stem walls, cap all exposed underground piping at both ends, and Submit plan for safe handling of solution tanks. For the purpose of introduction and familiarizing the buyer with the expected costs, we estimate this cost to be [REDACTED]



Final Site will be left clean of all debris. The septic system will be pumped and the holding tank collapsed, with any voids backfilled. The concrete floors left in place will be covered with enough dirt/rock material to level the site and bury any tripping hazards from broken stem walls, etc... All terrain will be shaped to accommodate drainage towards the tails unless directed otherwise by the project manager. The landfill will be covered (if it is on-site landfill (TBD at this time))... We expect all covering material to be available from the stacker pad, in the event this is not enough we will either haul material in, or excuse the contractor from the remaining work.

Special Terms for Mill 4

- Property dismantlement and removal must be filed and approved by the State of Nevada prior to commencing any demolition or equipment removal activities.
- [REDACTED]. All non salvageable waste will be placed there. Absolutely no hazardous waste or oils allowed. All Process materials must be triple rinsed prior to being land filled.
- Access to the site is limited. An active and very busy mine site is situated nearby, all heavy traffic (i.e. large equipment removals) must be routed through the back of the property and down a county dirt road, where it emerges at Interstate 80 near Dunphy.
- Newmont will have a Project Manager assigned to the Project. All property removals must be scheduled and approved through the Project Manager.
- [REDACTED]
- [REDACTED]
- Include your own provisions for power and water supplies as there are none at mill 4.

