## HIGH RIVER GOLD MINES LTD.

## SUBSCRIPTION AGREEMENT

**TO: HIGH RIVER GOLD MINES LTD.**

The Subscriber (as hereinafter defined) hereby irrevocably subscribes for and agrees to purchase from High River Gold Mines Ltd. (the "**Corporation**") that number of common shares (the "**Common Shares**") of the Corporation set out below at a price of US$0.159411374 per Common Share. In addition, as partial consideration for the purchase price of the Common Shares, the Corporation will issue to the Subscriber that number of Warrants (as hereinafter defined) set out below (the Common Shares and the Warrants being collectively referred to as the "**Securities**").

The Subscriber agrees to be bound by the terms and conditions contained in this Subscription Agreement including, without limitation, the representations, warranties and covenants set forth in the applicable schedules attached hereto. The Subscriber further agrees, without limitation, that the Corporation may rely upon the Subscriber's representations, warranties and covenants contained in such documents.

### SUBSCRIPTION AND SUBSCRIBER INFORMATION

**Please print all information (other than signatures), as applicable, in the space provided below.**

Lybica Holding B.V.
(Name of Subscriber)

Account Reference (if applicable): ____________

By: Equity Trust Co. N.V. ____________
Authorized Signature

Managing director
(Official Capacity or Title – if the Subscriber is not an individual)

M.M. Bernardus & Jaap C.W. van Burg
Managing Director
(Name of individual whose signature appears above if different than the name of the subscriber printed above.)

Strawinskylaan 3105, Atrium, 1077 ZX, Amsterdam, the Netherlands
(Subscriber's Address)

+31204064530
(Telephone Number) (Email Address)

Number of Common Shares: 282,288,515 x US$0.159411374

Number of Warrants: 40,674,540

Aggregate Subscription Cost: US$45,000,000
(the "**Subscription Amount**")

**If the Subscriber is purchasing as agent for a principal (beneficial purchaser) (a "Disclosed Principal") and is not purchasing as trustee or agent for accounts fully managed by it, complete the following:**

(Name of Disclosed Principal)

(Address of Disclosed Principal)

(Account Reference, if applicable)

**Account Registration Information:**

(Name)

(Account Reference, if applicable)

(Address, including Postal Code)

**Delivery Instructions:**

TORYS LLP
(Name)

(Account Reference, if applicable)

Suite 3000, 79 Wellington St. West, Toronto, Ontario, M5K 1N2
(Address)

Melissa Ewert 416.865.7632
(Contact Name) (Telephone Number)

Number and kind of securities of the Corporation held, directly or indirectly, if any:

30,482,615 Common Shares

State whether Subscriber is an Insider of the Corporation:

Yes ☐ No ☒

## TERMS AND CONDITIONS OF SUBSCRIPTION FOR SECURITIES

## ARTICLE 1 – INTERPRETATION

### 1.1 Definitions

Whenever used in this Subscription Agreement, unless there is something in the subject matter or context inconsistent therewith, the following words and phrases shall have the respective meanings ascribed to them as follows:

"**Board**" means the board of directors of the Corporation.

"**Berezitovy Rudnik**" means OOO Berezitovy Rudnik.

"**Buryatzoloto**" means OJSC Buryatzoloto.

"**Buryatzoloto Financial Information**" means all financial information, historical or otherwise, relating to or derived from the operations of Buryatzoloto and its subsidiaries.

"**Business Day**" means a day other than a Saturday, Sunday or any other day on which the principal chartered banks located in Toronto, Ontario are not open for business.

"**Closing**" shall have the meaning ascribed to such term in Section 4.1.

"**Closing Date**" shall have the meaning ascribed to such term in Section 4.1.

"**Closing Time**" shall have the meaning ascribed to such term in Section 4.1.

"**Corporation**" means High River Gold Mines Ltd., a corporation existing under the *Canada Business Corporations Act*.

"**Disclosed Principal**" shall have the meaning ascribed to such term on the face page of this Subscription Agreement.

"**Employee Plan**" means all plans with respect to the Corporation's employees or former employees to which the Corporation is a party to or bound by or to which the Corporation has an obligation to contribute relating to retirement savings, pensions, bonuses, profit sharing, deferred compensation, incentive compensation, life or accident insurance, hospitalization, health, medical or dental treatment or expenses, disability, unemployment insurance benefits, employee loans, vacation pay, severance or termination pay or other benefit plan.

"**Environmental Laws**" has the meaning attributed to such term in Section 5.1(r).

"**Hazardous Materials**" has the meaning attributed to such term in Section 5.1(r).

"**Insider**" means (a) a director or senior officer of the Corporation (or a subsidiary of the Corporation), (b) any person who beneficially owns, directly or indirectly, voting securities of the Corporation or who exercises control or direction over voting securities of the Corporation or a combination of both carrying more than 10% of the voting rights attached to all voting securities of the Corporation for the time being outstanding or (c) an insider of an Insider of the Corporation.

"**Latest Disclosure Documents**" has the meaning attributed to such term in Section 5.1(m).

“**Licenses**” has the meaning attributed to such term in Section 5.1(p).

“**Material Subsidiaries**” means Altai Gold LLC, Amur Gold Limited, Berezitovy Rudnik LLC, High River Acquisition Corp., High River Gold Exploration Burkina, SARL, High River Gold Mines (International) Ltd., High River Gold Mines (Russia) Ltd., High River Gold Mines (West Africa) Ltd., Jilbey Burkina, SARL, Buryatzoloto, Prognoz Silver LLC and Societé des Mines Taparko S.A. and “**Material Subsidiary**” means any one of them.

“**MCTO**” has the meaning attributed to such term in Section 5.1(bb).

“**Mineral Property**” has the meaning attributed to such term in Section 5.1(q).

“**misrepresentation**” means a misrepresentation as defined by Securities Laws or any of them, or where undefined under the applicable Securities Laws, means: (i) an untrue statement of a material fact, or (ii) an omission 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.

“**Offering**” means the offering of Securities pursuant to this Subscription Agreement.

“**person**” or “**Person**” means any individual (whether acting as an executor, trustee administrator, legal representative or otherwise), corporation, firm, partnership, sole proprietorship, syndicate, joint venture, trustee, trust, unincorporated organization or association, and pronouns have a similar extended meaning.

“**Prognoz Agreement**” means the share sale agreement dated July 30, 2008 among Greenteck Enterprises Ltd., Prognoz Invest Ltd., and the Corporation, as amended, and the subscription agreement dated August 1, 2008 between the Corporation and Veromart Securities Inc.

“**Securities**” shall have the meaning ascribed to such term on the face page of this Subscription Agreement.

“**Securities Commission**” means the applicable securities commission or regulatory authority in each of the provinces of Canada.

“**Securities Laws**” means, collectively, the applicable securities laws of each of the provinces of Canada and the respective regulations and rules made under those securities laws together with all applicable policy statements, blanket orders and rulings of the Securities Commissions and all discretionary orders or rulings, if any, of the Securities Commissions made in connection with the transactions contemplated by this Subscription Agreement, together with applicable published policy statements of the Canadian Securities Administrators, and the rules of the TSX.

“**Subscriber**” means the subscriber for the Securities as set out on the face page of this Subscription Agreement and includes, as applicable, each Disclosed Principal for whom it is acting.

“**Subscription Agreement**” means this subscription agreement (including any schedules hereto) and any instrument amending this Subscription Agreement.

“**Total Subscription Amount**” shall have the meaning ascribed to such term on the face page of this Subscription Agreement.

“**subsidiaries**” means those entities in which the Corporation has an interest, listed in Schedule “D”.

“**TSX**” means the Toronto Stock Exchange.

"**United States**" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia.

"**U.S. Person**" has the meaning set forth in Rule 902(k) of Regulation S under the U.S. Securities Act.

"**U.S. Securities Act**" means the *United States Securities Act of 1933*, as amended.

"**Warrants**" means the warrants of the Corporation issued in connection with the Offering, each Warrant entitling the holder thereof to acquire one Warrant Share at an exercise price of CDN$0.64 until the Warrant Expiry Date.

"**Warrant Share**" means the Common Share to be issued upon the due and valid exercise of a Warrant.

"**Warrant Expiry Date**" means September 29, 2013.

### 1.2 Gender and Number

Words importing the singular number only shall include the plural and *vice versa*, words importing the masculine gender shall include the feminine gender and words importing persons shall include firms and corporations and *vice versa*.

### 1.3 Currency

Unless otherwise specified, all dollar amounts in this Subscription Agreement, including the symbol "$", are expressed in United States dollars.

### 1.4 Subdivisions and Headings

The division of this Subscription Agreement into Articles, Sections, Schedules and other subdivisions and the inclusion of headings are for convenience of reference only and shall not affect the construction or interpretation of this Subscription Agreement. The headings in this Subscription Agreement are not intended to be full or precise descriptions of the text to which they refer. Unless something in the subject matter or context is inconsistent therewith, references herein to an Article, Section, paragraph, clause or Schedule are to the applicable article, section, paragraph, clause or schedule of this Subscription Agreement.

## ARTICLE 2 – SCHEDULES

### 2.1 Description of Schedules

The following are the Schedules attached to and incorporated in this Subscription Agreement by reference and deemed to be a part hereof:

| | | |
|---|---|---|
| Schedule "A" | – | Certificate of Accredited Investor |
| Schedule "B" | – | Appointments |
| Schedule "C" | – | Form of Opinion |
| Schedule "D" | – | Subsidiaries |
| Schedule "E" | – | Outstanding Approvals |
| Schedule "F" | – | Severance Arrangements |
| Schedule "G" | – | Total Indebtedness |

## ARTICLE 3– SUBSCRIPTION FOR SECURITIES

### 3.1 Subscription for Securities

The Subscriber hereby confirms its irrevocable subscription for and offer to purchase, either directly or through a wholly-owned subsidiary, the Common Shares from the Corporation, on and subject to the terms and conditions set out in this Subscription Agreement, for the Subscription Amount which is payable as described in Article 4 hereto. As partial consideration for the purchase price of the Common Shares, the Corporation will issue to the Subscriber the Warrants, on and subject to the terms and conditions set out in this Subscription Agreement.

### 3.2 Allotment, Reservation and Issuance of Common Shares

The Corporation shall allot, reserve and authorize for issuance to the Subscriber as fully paid and non-assessable Common Shares that number of Common Shares that is equal to the number of Common Shares subscribed for by the Subscriber as set out on the face page of this Subscription Agreement.

### 3.3 Creation and Issuance of Warrants

The Corporation shall create, allot, reserve and authorize for issuance to the Subscriber that number of Warrants that is equal to the number of Warrants to be issued to the Subscriber as set out on the face page of this Subscription Agreement.

Each Warrant will entitle the holder to purchase one Common Share at a price of CDN$0.64, subject to adjustment in certain circumstances, at any time prior to the Warrant Expiry Date.

### 3.4 Allotment, Reservation and Issuance of Warrant Shares

The Corporation shall allot, reserve and authorize for issuance, upon the due exercise of the Warrants, that number of Warrant Shares that is equal to the number of Warrants to be issued to the Subscriber as set out on the face page of this Subscription Agreement.

## ARTICLE 4– CLOSING

### 4.1 Closing

Delivery and sale of the Securities and payment of the Subscription Amount (the "**Closing**") will be completed at the offices of the Corporation's counsel, Cassels Brock & Blackwell LLP in Toronto, Ontario at 12:00 p.m. (Toronto time) (the "**Closing Time**") on Thursday, November 20, 2008 or such other place, date or time as the Corporation and the Subscriber may agree (the "**Closing Date**"). If, prior to the Closing Time, the terms and conditions contained in this Subscription Agreement have been complied with to the satisfaction of the Subscriber, or waived by the Subscriber, the Subscriber shall deliver as directed by the Corporation by wire transfer to Berezitovy Rudnik's bank account opened with Nomos Bank or the corresponding account with NOMOS Bank identified in the credit agreement No. 919-7/KL between OAO NOMOS Bank and Berezitovy Rudnik dated 28 November, 2007 at the Closing Time, US$15,090,368.85 of the Subscription Amount as payment of the amount due to Nomos Bank on 21 November, 2008 under the Credit Agreement No. 919-7/KL between OAO NOMOS Bank and Berezitovy Rudnik dated 28 November, 2007 in accordance with the use of proceeds provided in Section 5.2(e) of this Subscription Agreement, with the balance of the Subscription Amount being delivered by wire transfer to the Corporation, against delivery by the Corporation of certificates representing the Securities and such other documentation as may be required pursuant to this Subscription Agreement.

If, prior to the Closing Time, the terms and conditions contained in this Subscription Agreement (other than delivery by the Corporation to the Subscriber of certificates representing the Securities) have not been complied with to the satisfaction of the Subscriber, or waived by it, the Corporation and the Subscriber will have no further obligations under this Subscription Agreement.

**4.2 Conditions for the Benefit of the Subscriber**

The obligations of the Subscriber hereunder are subject to the following conditions being satisfied at or prior to the Closing Time, which conditions are for the exclusive benefit of the Subscriber and may be waived, in whole or in part, by the Subscriber in its sole discretion:

(a) Truth of Representations and Warranties. The representations and warranties of the Corporation contained in this Subscription Agreement shall have been true and correct as of the date of this Subscription Agreement and shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and of such date, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties shall be true and correct, in all material respects (or, if qualified by materiality, in all respects), as of such date.

(b) Performance of Covenants. The Corporation shall have fulfilled or complied with all covenants contained in this Subscription Agreement to be fulfilled or complied with by it at or prior to the Closing Time.

(c) No Material Adverse Change. Between the date hereof and the Closing Time, there shall not have occurred, in the reasonable judgement of the Subscriber, a material adverse change in the business, assets or financial condition of the Corporation and its subsidiaries, taken as a whole.

(d) TSX Matters. The Corporation shall not be required to obtain shareholder approval of the Offering or shall have received a waiver from the TSX of the requirement to obtain such approval.

(e) TSX Listing Approval. The Corporation shall have received the approval of the listing and posting for trading on the TSX of the Common Shares and Warrant Shares, subject only to satisfaction by the Corporation of customary post-closing conditions imposed by the TSX in similar circumstances.

(f) Consents and Authorizations. All orders, Licenses, approvals, notifications, waivers, consents, or similar authorizations necessary to complete the offer, sale and issuance of the Securities, as they relate to Canadian laws, shall have been obtained on terms acceptable to the Subscriber, acting reasonably, except as provided in Schedule “E”.

(g) Appointments. Concurrently with the Closing of the Offering,

(i) David Mosher and Valery Dmitriev shall resign from the Board and the Subscriber shall designate four nominees to the Board and the Corporation shall cause such nominees to be appointed by the Board;

(ii) David Mosher shall resign his position as President and Chief Executive Officer of the Corporation and any other positions he holds of the Corporation or any of its subsidiaries, and the Corporation shall provide evidence that Mr. Mosher's severance arrangements have been amended to provide for a payment of CDN$1,100,000 90 days after Closing, and the Board shall appoint Nikolay Zelenskiy as Chief Executive Officer of the Corporation; and

(iii) subject to applicable laws, Donald Whalen shall resign and the Subscriber shall designate its nominee, Nikolay Zelenskiy, to the board of directors of the companies listed in Schedule "B" and the Corporation or its subsidiaries shall cause such nominee to be appointed to such boards of directors.

(h) Officers' Certificate. The Corporation shall have delivered to the Subscriber a certificate executed by the Chief Executive Officer and Chief Financial Officer of the Corporation with respect to:

(i) certified copies of (a) the charter documents and by laws of the Corporation, (b) and all resolutions of the Board approving the entering into and completion of the transactions contemplated by this Subscription Agreement; and

(ii) the representations and warranties of the Corporation contained in this Subscription Agreement being true and correct in all material respects (or, if qualified by materiality, in all respects) as at such Closing Time, with the same force and effect as if made on and as at such Closing Time, except for such representations and warranties which are in respect of a specific date in which case such representations and warranties shall be true and correct, in all material respects (or, if qualified by materiality, in all respects), as of such date, after giving effect to the transactions contemplated by this Subscription Agreement.

(i) Prospectus Exemption. The issue and sale of the Securities shall be exempt from the requirement to file a prospectus and the requirement to deliver an offering memorandum under applicable Securities Laws relating to the sale of the Securities, or the Corporation shall have received such orders, consents or approvals as may be required to permit such sale without the requirement to file a prospectus or deliver an offering memorandum.

(j) Compliance with Securities Laws. The completion of the transactions contemplated by this Subscription Agreement comply with all applicable Securities Laws.

(k) Certificates and Registers. The Corporation shall deliver to the Subscriber, at the Closing Time, certificates representing the Securities issued to the Subscriber pursuant to this Subscription Agreement and shall cause the securities registers of the Corporation to be updated to reflect the Subscriber as a shareholder and warrantholder of the Corporation.

(l) Legal Opinion. The Subscriber shall have received a favourable legal opinion addressed to the Subscriber in form and substance satisfactory to the Subscriber's counsel, dated as of the Closing, from Cassels Brock & Blackwell LLP, counsel for the Corporation, which counsel in turn may rely, as to matters of fact, on certificates of auditors, public officials and officers of the Corporation, with respect to the issuance of the Securities under this Subscription Agreement in the form attached as Schedule "C".

(m) Other Documentation. All documentation relating to the offer, sale and issuance of the Securities shall be in form and substance satisfactory to the Subscriber, acting reasonably.

**4.3 Conditions for the Benefit of the Corporation**

The obligations of the Corporation hereunder are subject to the following conditions being satisfied at or prior to the Closing Time, which conditions are for the exclusive benefit of the Corporation and may be waived, in whole or in part, by the Corporation in its sole discretion:

(a) Truth of Representations and Warranties. The representations and warranties of the Subscriber contained in this Subscription Agreement shall have been true and correct as of the date of this Subscription Agreement and shall be true and correct as of the Closing Date with the same force and effect as if such representations and warranties had been made on and of such date.

(b) Performance of Covenants. The Subscriber shall have fulfilled or complied with all covenants contained in this Subscription Agreement to be fulfilled or complied with by it at or prior to the Closing Time.

(c) Director Indemnities. An indemnification agreement shall have been entered into between the Subscriber and each of the independent directors on the Board following Closing.

(d) TSX Listing Approval. The Corporation shall have received the approval of the listing and posting for trading on the TSX of the Common Shares and Warrant Shares, subject only to satisfaction by the Corporation of customary post-closing conditions imposed by the TSX in similar circumstances.

(e) Payment of the Subscription Amount. The Subscriber shall have paid the Subscription Amount by certified cheque, bank draft or wire transfer (or such other method as agreed upon by the Subscriber and the Corporation) in accordance with Section 4.1.

(f) Delivery of Subscription Agreement. The Subscriber shall have properly completed, signed and delivered this Subscription Agreement (including all applicable schedules hereto) to:

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, ON
M5H 3C2

Attention: John Vettese
Fax: 416.350.6930

(c) Accredited Investor Status. If the Subscriber is a resident of or otherwise subject to the Securities Laws of any province of Canada, the Subscriber shall have properly completed, signed and delivered a duly completed and executed certificate in the form of Schedule "A" evidencing the Subscriber's (or if the Subscriber is contracting as agent for a Disclosed Principal, such Disclosed Principal's) status as an accredited investor.

(g) Prospectus Exemption. The issue and sale of the Securities shall be exempt from the requirement to file a prospectus and the requirement to deliver an offering memorandum under applicable Securities Laws relating to the sale of the Securities, or the Corporation shall have received such orders, consents or approvals as may be required to permit such sale without the requirement to file a prospectus or deliver an offering memorandum.

(h) Compliance with Securities Laws. The completion of the transactions contemplated by this Agreement comply with all applicable Securities Laws and other laws.

The Subscriber consents to the filing of such documents as may be required to be filed with the applicable Securities Commissions in connection with the transactions contemplated hereby. Notwithstanding that the Subscriber may be purchasing the Securities as an agent on behalf of an undisclosed principal, the Subscriber agrees to provide, on request, particulars as to the identity of such undisclosed principal as may be required by the Corporation in order to comply with applicable Securities Laws and the foregoing requirements.

## ARTICLE 5– REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE CORPORATION

### 5.1 Representations and Warranties of the Corporation

By execution of this Subscription Agreement, the Corporation hereby agrees with the Subscriber as follows and acknowledges that the Subscriber is relying on such representations and warranties in connection with the transactions contemplated herein:

(a) The Corporation and each of the Material Subsidiaries has been duly incorporated and is validly existing under the laws of its jurisdiction of incorporation, has all requisite corporate power and authority and is duly qualified to carry on its business as now conducted and to own, lease and operate its property and assets.

(b) The Corporation has all requisite corporate power and authority to carry out its obligations under this Subscription Agreement and to issue and deliver the Securities, and at the Closing Time, the issue of the Securities to the Subscriber in accordance with this Subscription Agreement will have been authorized by all necessary corporate actions of the Corporation.

(c) At the Closing Time, the Common Shares will be fully paid and non-assessable, and the Securities will be duly and validly created, authorized, issued and delivered by the Corporation, and the Common Shares to be issued in the Offering, together with the Common Shares already held by the Subscriber and its affiliates, will represent approximately 53% of the issued and outstanding shares of the Corporation provided the Common Shares have not been issued by the Corporation in accordance with Prognoz Agreement. The Warrant Shares have been duly authorized and upon issuance on the due exercise of the Warrants, the Warrant Shares will be validly issued and fully paid and non-assessable securities of the Corporation.

(d) At the Closing Time, this Subscription Agreement will have been duly authorized, executed and delivered by the Corporation and will constitute a legal, valid and binding obligation of the Corporation enforceable in accordance with its terms except as such enforceability may be limited by applicable bankruptcy, insolvency, reorganization, moratorium and other laws of general application affecting enforcement of creditors' rights generally and as limited by laws relating to the availability of specific performance, injunctive relief or other equitable remedies.

(e) As of the date hereof:

(i) the authorized capital of the Corporation consists of unlimited number of common shares and an unlimited number of preference shares, issuable in series, of which 307,905,158 common shares are issued and outstanding as fully paid and non-assessable and no preferred shares are issued and outstanding;

(ii) the only rights, warrants, conversion or exchange privileges and options to acquire securities of the Corporation that are outstanding are as follows:

A. warrants to purchase up to 24,222,500 Common Shares;

B. options to purchase up to 11,210,517 Common Shares;

C. CDN$11,936,000 of 8% convertible debentures maturing on December 31, 2011 convertible into 5,079,150 Common Shares; and

D. the obligation to pay 34,100,000 Common Shares in accordance with the Prognoz Agreement.

(f) No Person has any agreement, option, right or privilege (whether pre-emptive or contractual) capable of becoming an agreement, for the purchase (i) from the Corporation or any of its subsidiaries, of any securities of the Corporation or any of its subsidiaries (other than the options and warrants described in Section 5.1(e)(ii) and the Securities); (ii) from the Corporation or any Material Subsidiary of any interest in any of the securities or interests in the capital of any of the Material Subsidiaries.

(g) Except for the entities listed in Schedule "D", the Corporation does not have any interests, direct or indirect, in any Person. All of the issued securities or interests of each of the subsidiaries of the Corporation are: (i) validly authorized, issued and outstanding; (ii) fully paid and non-assessable; and (iii) except as set out in Schedule "D", registered in the name of and beneficially owned by the Corporation, free and clear or all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever. The shareholding percentages shown in Schedule "D" are true and correct.

(h) To the best of the Corporation's knowledge, other than as set forth in the Latest Disclosure Documents, as of the date hereof, no Person, directly or indirectly, owns more than 10% of the outstanding common shares of the Corporation.

(i) There are no shareholders agreements or other agreements to which the Corporation or any of its subsidiaries is a party governing (i) the voting, holding or sale of any securities of the Corporation or any of its subsidiaries or (ii) the management of the affairs of the Corporation or any of its subsidiaries.

(j) The execution of this Subscription Agreement, the performance by the Corporation of its obligations hereunder and the issue and sale of the Securities by the Corporation does not and will not:

(i) result (with or without notice or the passage of time) in a violation or breach of, or creation of any encumbrance, require any consent to be obtained under or give rise to any termination, purchase or sale rights or payment obligation under any provision of:

A. its certificate of incorporation, articles, by-laws or other constating documents or the constating documents of its subsidiaries;

B. any judgment, decree, order, law, rule or regulation applicable to the Corporation, including the Securities Laws;

C. any material contract, permit, authorization, licence, indenture, note, instrument, agreement or other document to which the Corporation or any of its subsidiaries is a party or by which it is bound or subject or is the beneficiary;

(ii) except for those agreements for which waivers and/or amendments to the applicable lending facilities and related agreements have been obtained or which have been disclosed to the Subscriber in writing, give rise to any right of termination or acceleration of indebtedness, or cause any indebtedness owing by the Corporation or any of its subsidiaries to come due before its stated maturity or cause any available credit to cease to be available;

(iii) result in the imposition of any encumbrance upon any of the Corporation's assets or the assets of any subsidiary of the Corporation;

(iv) restrict, hinder, impair or limit the ability of the Corporation or any of its subsidiaries to carry on its business in the manner in which it is currently being carried on; or

(v) result in any payment (including retention, severance, unemployment compensation, golden parachute, bonus or otherwise) becoming due to any director, officer or employee of the Corporation or any of its subsidiaries, or increase any benefits otherwise payable under any employee plans, or result in the acceleration of the time of payment or vesting of any such benefits, except as set out in Schedule “F”.

(k) No approval, authorization, consent or other order of, and no filing, registration or recording with, any governmental authority or any other Person is required in connection with the execution and delivery or with the performance by the Corporation of this Subscription Agreement except compliance with applicable Securities Laws and except as set out in Schedule “E”.

(l) The Corporation is a “reporting issuer” within the meaning of applicable Securities Laws in British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Quebec, New Brunswick, Nova Scotia, Prince Edward Island and Newfoundland.

(m) Except as it pertains to the Buryatzoloto Financial Information, the statements set forth in all filings of the Corporation with the Securities Commissions and the TSX in the last twelve months (the “Latest Disclosure Documents”) are true, correct and complete and do not contain any misrepresentation as of the date of such statements and the Corporation has not filed any confidential material change reports as of the date of this Subscription Agreement and there have not been any material changes in the business, affairs, assets, liabilities, operations or prospects of the Corporation and its subsidiaries during the last twelve months except as disclosed in the Latest Disclosure Documents.

(n) The Corporation and its subsidiaries, are the beneficial owners of their properties, business and assets or the interests in such properties, business or assets; all agreements by which the Corporation and its subsidiaries hold an interest in a property, business or assets are in good standing according to their terms, and the properties are in good standing under the applicable laws of the jurisdictions in which they are situated. The Corporation and each of its subsidiaries have good and marketable title to all assets owned by them free and clear of all liens, charges, security, mortgage or other encumbrance, save and except as previously disclosed in writing to the Subscriber.

(o) The Corporation and its subsidiaries maintain insurance against loss of, or damage to, their tangible assets on a replacement cost basis in accordance with industry standards, and all of the policies in respect of such insurance coverage are in good standing in all respects and not in default except in each case as could not reasonably be expected to have a material adverse effect on the business, assets or financial condition of the Corporation and its subsidiaries, taken as a whole.

(p) The Corporation and each of the Material Subsidiaries possesses all certificates, authority, permits, consents, licences and other authorizations (collectively, “**Licenses**”) issued by the appropriate municipal, provincial, federal and state regulatory agencies or bodies necessary to carry on its business as now conducted and to own its properties and assets and has not received or is not aware of any adverse modification or revocation to such Licences. The Corporation and each of the Material Subsidiaries are in compliance, in all material respects, with the terms and conditions of such Licenses.

(q) The properties, projects, claims and other holdings of the Corporation and any of the subsidiaries, whether in production, development, exploration or being held for evaluation, are as described in the technical reports or other documents filed by the Corporation on SEDAR which contain a complete and accurate list of all such rights held, directly or indirectly, by the Corporation (the "Mineral Properties"). All such rights are, in all material respects, in good standing, valid and enforceable, free and clear of any material liens, encumbrances or charges and no material royalty is payable in respect of any of them, except as previously disclosed in writing to the Subscriber. No other property rights are necessary for the conduct of the business of the Corporation or each of the subsidiaries as currently conducted and there are no material restrictions on the ability of the Corporation or the subsidiaries to use, transfer or otherwise exploit any such property rights, except as required by applicable law. None of the Mineral Properties is subject to any right of first refusal, purchase, acquisition or third party prospecting rights of any kind.

(r) Neither the Corporation nor any of the subsidiaries is in violation of any federal, provincial, state, local, municipal or foreign statute, law, rule, regulation, ordinance, code, policy or any judicial or administrative interpretation thereof, including any judicial or administrative order, consent decree or judgement, relating to pollution or protection of human health, the environment (including, without limitation, ambient air, surface water, groundwater, land surface or subsurface strata) or wildlife, including, without limitation, laws and regulations relating to the release of threatened release of chemicals, pollutants, contaminants, wastes, toxic substances, hazardous substances, petroleum or petroleum products (collectively, "Hazardous Materials") or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of Hazardous Materials (collectively, "Environmental Laws"), except where the violation would not reasonably be expected, on an aggregate basis, to have a material adverse effect on the business, assets or financial condition of the Corporation and its subsidiaries, taken as a whole.

(s) Except as previously disclosed in writing to the Subscriber, the Corporation and its subsidiaries have all Licenses required under any applicable Environmental Laws and are each in compliance with their requirements, except where the failure to have such Licenses would not reasonably be expected, on an individual or aggregate basis, to have a material adverse effect on the business, assets or financial condition of the Corporation and its subsidiaries, taken as a whole.

(t) Except as previously disclosed in writing to the Subscriber, there are no pending or, to the knowledge of the Corporation, threatened administrative, regulatory or judicial actions, suits, demands, demand letters, claims, liens, notices of non-compliance or violation, investigation or proceedings relating to any Environmental Laws against the Corporation or any of its subsidiaries, which if determined adversely, would reasonably be expected to have a material adverse effect on the business, assets or financial condition of the Corporation and its subsidiaries, taken as a whole.

(u) Other than as disclosed in the Latest Disclosure Documents, the Corporation and its subsidiaries are not subject to any contingent or other liability relating to the rehabilitation or reclamation of any lands, water or any other part of the environment concerning the Mineral Properties or otherwise except for such commitments as are usual for operations of the nature undertaken by the Corporation.

(v) Except as it pertains to the Buryatzoloto Financial Information, the financial statements contained in the Corporation's Latest Disclosure Documents have been prepared in accordance with Canadian generally accepted accounting principles, accurately reflect the financial position and results of operations of the Corporation and its subsidiaries as of the date thereof and for the periods covered thereby, and no adverse material changes in the financial position of the Corporation or its subsidiaries have taken place since the date thereof, other than as previously disclosed in writing to the Subscriber.

(w) Except as it pertains to the Buryatzoloto Financial Information and other than an alleged event of default under agreements with NOMOS Bank in connection with the Prognoz Agreement, neither the Corporation nor any of its subsidiaries has any liabilities, obligations, indebtedness or commitments, whether accrued, absolute, contingent or otherwise, which are not disclosed or referred to in the Latest Disclosure Documents or referred to or disclosed herein, other than liabilities, obligations, or indebtedness or commitments (i) incurred in the normal course or business; or (ii) which would not reasonably be expected to have a material adverse effect on the business, assets or financial condition of the Corporation and its subsidiaries, taken as a whole.

(x) Except as it pertains to the Buryatzoloto Financial Information, the Corporation and each of its subsidiaries maintains a system or internal accounting controls sufficient to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorizations, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with generally accepted accounting principles in Canada and to maintain asset accountability, (iii) access to assets is permitted only in accordance with management's general or specific authorization, and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences.

(y) The Corporation has complied and will comply fully with the requirements of all applicable corporate and Securities Laws in all matters relating to the Offering.

(z) Neither the Corporation nor any of its subsidiaries is a party to any actions, suits or proceedings which could materially affect its assets, business or financial condition, and to the best of the Corporation's knowledge no such actions, suits or proceedings are contemplated or have been threatened and the Corporation and its Material Subsidiaries are conducting their business and operations in compliance with applicable law in all material respects.

(aa) There are no judgments against the Corporation or any of its subsidiaries which are unsatisfied, nor are there any consent decrees or injunctions to which the Corporation or any of its subsidiaries is subject.

(bb) The common shares of the Corporation are listed and posted for trading on the TSX, and the Corporation is not in breach of its listing agreements with the TSX, other than breaches relating to the Offering closing on less than five days notice, the failure of the Corporation to file its Q3 2008 interim financial statements and associated filings and the management cease trade order (the "MCTO") issued in connection therewith. All necessary notices and filings have been made with and all necessary consents, approvals and authorizations obtained from the TSX to ensure that, subject to any restricted period imposed by Securities Laws and such conditions as may be imposed by the TSX, the Common Shares and Warrant Shares will be listed and posted for trading on the TSX upon their issuance. For greater certainty, the Corporation has received approval from the TSX for the transactions contemplated by this Subscription Agreement and has received confirmation from the TSX that the Corporation is not required to obtain shareholder approval of the Offering.

(cc) Other than the MCTO, no order ceasing or suspending trading in or delisting the securities of the Corporation nor prohibiting the sale of such securities has been issued to and is outstanding against the Corporation or its directors, officers or promoters or against any other companies that have common directors, officers or promoters and, to the best of the Corporation's knowledge, no investigations or proceedings for such purposes are pending or threatened.

(dd) Other than the failure to file the Q3 2008 financial statements and associated filings that resulted in the issuance of the MCTO, neither the Corporation nor any subsidiary has taken any action which would be reasonably expected to result in the delisting or suspension of the Common Shares on or from the TSX.

(ee) The Corporation and its subsidiaries have filed all federal, provincial, local and foreign tax returns which are required to be filed, or have requested extensions thereof, and except as it pertains to the Buryatzoloto Financial Information, have paid all taxes required to be paid by them and any other assessment, fine or penalty levied against them, to the extent that any of the foregoing is due and payable, except for such assessments, fines and penalties which are not material and are currently being contested in good faith.

(ff) Except as it pertains to the Buryatzoloto Financial Information, the Corporation has established on its books and records reserves which are adequate for the payment of all taxes not yet due and payable and there are no liens for taxes on the assets of the Corporation or its subsidiaries except for taxes not yet due, and there are no audits of any of the tax returns of the Corporation which are known by the Corporation's management to be pending, and there are no claims which have been or may be asserted relating to any such tax returns which, if determined adversely, would result in the assertion by any governmental agency of any deficiency which would have a material adverse effect on the properties, business or assets of the Corporation. The execution and delivery of this Subscription Agreement and the performance by of the Corporation of its obligations hereunder will not give rise to any tax consequences to the Corporation or any of its Subsidiaries.

(gg) The aggregate liability of the Corporation under all severance arrangements with its directors, officers and employees as set out in Schedule "F" does not exceed CDN$8,095,000, as of the date hereof.

(hh) All Employee Plans are, and have been, established, registered, qualified, administered, funded and invested in all material respects in accordance with the terms of such Employee Plans including the terms of the material documents that support such Employee Plans, any applicable collective agreement and all applicable laws. None of the Employee Plans is a registered pension plan as defined in the *Income Tax Act* (Canada). There are no unfunded liabilities in respect of any Employee Plan.

(ii) No material labour dispute with employees of the Corporation or any of its subsidiaries exists or, to the knowledge of the Corporation, is imminent. Neither the Corporation nor any of its subsidiaries is a party to any collective bargaining agreement and, to the knowledge of the Corporation, no action has been taken or is contemplated to organize any employees of the Corporation or any of its subsidiaries.**]**

(jj) The outstanding indebtedness of the Corporation and each of its subsidiaries (including the amounts outstanding and the lender(s) of such indebtedness) is set out in Schedule "G".

(kk) To the best of the Corporation's knowledge, neither the Corporation nor any of its subsidiaries, nor any current employee or agent of the Corporation or any subsidiary, has made any unlawful contribution or other payment to any official of, or candidate for, any federal, state, provincial or foreign office, or failed to disclose fully any contribution, in violation of any law, or made any payment to any foreign, Canadian, United States or state governmental officer or official, or other person charged with similar public or quasi-public duties other than payments required or permitted by applicable laws.

**5.2 Covenants of the Corporation**

The Corporation hereby covenants and agrees that:

(a) during the period commencing on the execution of this Subscription Agreement and ending at the Closing Time, unless the Subscriber otherwise agrees in writing or as is otherwise required by applicable law,

(i) The Corporation will, and will cause each of its subsidiaries to, conduct its and their respective business only in, not take any action except in, and maintain their respective operations in the ordinary course of business consistent with past practice.

(ii) The Corporation will not and will cause each of its subsidiaries to not, directly or indirectly, do any of the following:

A. issue, sell, dispose of, encumber or agree to issue, sell, dispose of or encumber any shares or other securities of, or any options, warrants, calls, conversion privileges or rights of any kind to acquire any shares or other securities of the Corporation or any of its subsidiaries, other than the issue of common shares pursuant to the exercise of options currently outstanding and in accordance with their current terms;

B. amend or modify or agree to amend or modify any stock option plan of the Corporation or any of its subsidiaries or any employment agreement with any member of management;

C. amend or propose to amend the articles, by-laws or other constating documents of the Corporation or any of its subsidiaries;

D. adjust, split, combine or reclassify any outstanding shares of the Corporation or the shares of any of its subsidiaries;

E. redeem, purchase or offer to purchase any shares or other securities of the Corporation or any shares or other securities of its subsidiaries, unless otherwise required by the terms of such securities;

F. reduce the capital or stated capital of the Corporation or its subsidiaries;

G. declare, set aside or pay any dividend or other distribution payable in cash, stock, property or otherwise with respect to any of the shares of the Corporation or the securities of any subsidiary owned by a Person other than the Corporation or wholly-owned subsidiary of the Corporation;

H. incur or commit to provide guarantees for borrowed money, incur or assume additional indebtedness for borrowed money or issue additional debt securities;

I. (A) reorganize, amalgamate, or merge with any other Person, (B) liquidate, dissolve or windup, or (C) adopt a plan or resolutions providing for any of the foregoing;

J. enter into any joint venture or similar agreement, arrangement or relationship;

K. sell, transfer, lease, license, mortgage, encumber or otherwise dispose of any of its properties or assets other than in the ordinary course of business consistent with past practice; or

L. waive, release, grant or transfer any rights of material value or modify or change in any material respect any existing License, order, lease, contract or other material document.

(b) The Corporation shall and, where appropriate, shall cause its subsidiaries to use their commercially reasonable efforts to obtain (or to assist the Subscriber in obtaining) all necessary waivers, consents and approvals (including, without limitation, regulatory approvals) required to be obtained in connection with the Offering.

(c) The Corporation will file such materials with the TSX as it may reasonably require in order to approve the listing of the Common Shares and Warrant Shares and will use its best efforts to provide for the listing of the Common Shares and Warrant Shares on the TSX.

(d) The Corporation will within the required time, file with the TSX or any other applicable securities agency, any documents, reports and information, in the required form, required to be filed by applicable Securities Laws in connection with this Offering, together with any applicable filing fees and other materials and the Corporation shall have obtained all regulatory approvals necessary for the Closing prior to the Closing Date.

(e) Unless otherwise agreed by the Subscriber and the Corporation, the proceeds of the Subscription Amount will be used by the Corporation for the following purposes:

(i) repayment of US$15,090,368.85 to Nomos Bank due on 21 November, 2008 under the Credit Agreement No. 919-7/KL between OAO NOMOS Bank and Berezitovy Rudnik dated 28 November, 2007;

(ii) provision of US$9,000,000 to Société Des Mines De Taparko, also known as SOMITA, SA, for working capital purposes; and

(iii) repayment of US$10,000,000 to Nomos Bank due in December, 2008 under a Credit Agreement No. 539-8/K between OAO NOMOS BANK and OAO Buryatzoloto dated 18 July, 2008.

(f) Following the Closing, for a period of six years, the Corporation shall not and the Subscriber shall not cause the Corporation to amend Section Seven of its by-laws relating to indemnification of directors, unless indemnification agreements on customary terms have been entered into between the Corporation and the members of the Board, or run-off director and officer indemnification insurance, in amounts and on terms acceptable to such directors, acting reasonably, is in place.

## ARTICLE 6– ACKNOWLEDGEMENTS, REPRESENTATIONS, WARRANTIES AND COVENANTS OF THE SUBSCRIBER

### 6.1 Representations and Warranties of the Subscriber

The Subscriber, on its own behalf and, if applicable, on behalf of others for whom it is acting hereunder, hereby represents and warrants to the Corporation as follows and acknowledges that the Corporation is relying on such representations and warranties in connection with the transactions contemplated herein:

(a) The Subscriber is resident in the jurisdiction set out on the face page of this Subscription Agreement. Such address was not created and is not used solely for the purpose of acquiring the Securities and the Subscriber was solicited to purchase in such jurisdiction.

(b) If the Subscriber is a resident of or otherwise subject to the Securities Laws of any province of Canada: (i) the Subscriber has properly completed, executed and delivered to the Corporation the "Certificate of Accredited Investor" (dated as of the date hereof) set forth in Schedule "A" and the information contained therein is true and correct; and (ii) the representations, warranties and covenants contained in Schedule "A" will be true and correct both as of the date of execution of this Subscription Agreement and as of the Closing Time.

(c) The Subscriber is not a U.S. Person nor subscribing for the Securities for the account of a U.S. Person or for resale in the United States and the Subscriber confirms that the Securities have not been offered to the Subscriber in the United States and that this Subscription Agreement has not been signed in the United States.

(d) The Subscriber acknowledges that the Securities have not been registered under the U.S. Securities Act nor the securities laws of any state of the United States, that the Securities may not be offered or sold, directly or indirectly, in the United States or to or for the benefit or account of any U.S. Person or person in the United States, except pursuant to registration under the U.S. Securities Act and the securities laws of all applicable states or available exemptions therefrom, and the Corporation has no obligation or present intention of filing a registration statement under the U.S. Securities Act in respect of the Securities.

(e) The Subscriber will not offer, sell or otherwise dispose of the Securities in the United States or to a U.S. Person unless the Corporation has consented to such offer, sale or distribution and such offer, sale or disposition is made in accordance with an exemption from the registration requirements under the U.S. Securities Act and the securities laws of all applicable states of the United States or the U.S. Securities and Exchange Commission has declared effective a registration statement in respect of such securities.

(f) If the Subscriber is not a person resident in Canada, the subscription for the Securities by the Subscriber does not contravene any of the applicable securities legislation in the jurisdiction in which the Subscriber resides and does not give rise to any obligation of the Corporation to prepare and file a prospectus or similar document or to register the Securities or to be registered with or to file any report or notice with any governmental or regulatory authority.

(g) The execution and delivery of this Subscription Agreement, the performance and compliance with the terms hereof, the subscription for the Securities and the completion of the transactions described herein by the Subscriber will not result in any material breach of, or be in conflict with or constitute a material default under, or create a state of facts which, after notice or lapse of time, or both, would constitute a material default under any term or provision of the constating documents, by-laws or resolutions of the Subscriber, the Securities Laws or any other laws applicable to the Subscriber, any agreement to which the Subscriber is a party, or any judgment, decree, order, statute, rule or regulation applicable to the Subscriber.

(h) Except to the extent contemplated herein, the Subscriber is subscribing for the Securities as principal for its own account and not for the benefit of any other person (within the meaning of applicable Securities Laws) and not with a view to resale or distribution of all or any of the Securities. If it is subscribing as agent for a Disclosed Principal, it has disclosed the name of the Disclosed Principal on the face page of this Subscription Agreement and acknowledges that the Corporation may be required by law to disclose to certain regulatory authorities the identity of each Disclosed Principal for whom the Subscriber is acting.

(i) In the case of a subscription for the Securities by the Subscriber acting as agent for a Disclosed Principal, the Subscriber is duly authorized to execute and deliver this Subscription Agreement and all other necessary documentation in connection with such subscription on behalf of the Disclosed Principal and this Subscription Agreement has been duly authorized, executed and delivered by or on behalf of and constitutes a legal, valid and binding agreement of, the Disclosed Principal.

(j) In the case of a subscription for the Securities by the Subscriber acting as principal, this Subscription Agreement has been duly authorized, executed and delivered by, and constitutes a legal, valid and binding agreement of, the Subscriber. This Subscription Agreement is enforceable in accordance with its terms against the Subscriber.

(k) The Subscriber is duly incorporated and is validly subsisting under the laws of its jurisdiction of incorporation and has all requisite legal and corporate power and authority to execute and deliver this Subscription Agreement, to subscribe for the Securities as contemplated herein and to carry out and perform its obligations under the terms of this Subscription Agreement.

(l) If required by applicable Securities Laws or reasonably required by the Corporation, the Subscriber will execute, deliver and file or assist the Corporation in filing such reports, undertakings and other documents with respect to the issue and/or sale of the Securities as may be required by any securities commission, stock exchange or other regulatory authority.

(m) The Subscriber has been advised to consult its own legal advisors with respect to trading in the Securities, and with respect to the resale restrictions imposed by the Securities Laws of the jurisdiction in which the Subscriber resides and other applicable securities laws, and acknowledges that no representation has been made respecting the applicable hold periods imposed by the Securities Laws or other resale restrictions applicable to such securities which restrict the ability of the Subscriber to resell such securities, that the Subscriber is solely responsible to find out what these restrictions are and the Subscriber is solely responsible (and the Corporation is not in any way responsible) for compliance with applicable resale restrictions and the Subscriber is aware that it may not be able to resell such securities except in accordance with limited exemptions under the Securities Laws and other applicable securities laws.

(n) The Subscriber has not received nor been provided with a prospectus, offering memorandum, within the meaning of the Securities Laws, or any sales or advertising literature in connection with the Offering.

(o) To the Subscriber's knowledge, no person has made any written or oral representations:

   (i) that any person will resell or repurchase the Securities;

   (ii) that any person will refund the Subscription Amount; or

   (iii) as to the future price or value of the Securities.

(p) The subscription for the Securities has not been made through or as a result of, and the distribution of the Securities is not being accompanied by any advertisement, including without limitation in printed public media, radio, television or telecommunications, including electronic display, or as part of a general solicitation.

(q) There are risks associated with the purchase of and investment in the Securities, and the Subscriber is knowledgeable and/or experienced in business and financial matters and is capable of evaluating the merits and risks of an investment in the Securities and fully understands the restrictions on resale of the Securities and is capable of bearing the economic risk of the investment.

(r) To the Subscriber's knowledge, the funds representing the Subscription Amount which will be advanced by the Subscriber hereunder will not represent proceeds of crime for the purposes of the *Proceeds of Crime (Money Laundering) and Terrorist Financing Act* (Canada) (the "**PCMLTFA**") and the Subscriber acknowledges that the Corporation may in the future be required by law to disclose the Subscriber's name and other information relating to this Subscription Agreement and the Subscriber's subscription hereunder, on a confidential basis, pursuant to the PCMLTFA. To the best of its knowledge (a) none of the Subscription Amount to be provided by the Subscriber (i) has been or will be derived from or related to any activity that is deemed criminal under the laws of Canada or the United States, or (ii) is being tendered on behalf of a person or entity who has not been identified to the Subscriber, and (b) it shall promptly notify the Corporation if the Subscriber discovers that any of such representations ceases to be true, and to provide the Corporation with appropriate information in connection therewith.

(s) The Subscriber acknowledges that the representations and warranties contained herein and, if applicable, in Schedule "A" attached hereto, are made by it with the intention that they may be relied upon by the Corporation in determining the Subscriber's eligibility to purchase Securities under relevant securities legislation.

## 6.2 Acknowledgments and Covenants of the Subscriber

The Subscriber, hereby acknowledges, covenants and agrees as follows:

(a) No securities commission, agency, governmental authority, regulatory body, stock exchange or other regulatory body or similar regulatory authority has reviewed or passed on the merits of the Securities.

(b) The ability to transfer the Securities is limited by, among other things, applicable Securities Laws.

(c) The certificate representing the Common Shares will bear, as of the Closing Date, a legend substantially in the following form and with the necessary information inserted:

> **"UNLESS PERMITTED UNDER SECURITIES LEGISLATION, THE HOLDER OF THIS SECURITY MUST NOT TRADE THE SECURITY BEFORE <INSERT DATE THAT IS FOUR (4) MONTHS AND ONE (1) DAY AFTER CLOSING DATE>.**

**THE SECURITIES REPRESENTED BY THIS CERTIFICATE ARE LISTED ON THE TORONTO STOCK EXCHANGE; HOWEVER, THE SAID SECURITIES CANNOT BE TRADED THROUGH THE FACILITIES OF TSX SINCE THEY ARE NOT FREELY TRANSFERABLE, AND CONSEQUENTLY ANY CERTIFICATE REPRESENTING SUCH SECURITIES IS NOT "GOOD DELIVERY" IN SETTLEMENT OF TRANSACTIONS ON TSX."**

provided that, subsequent to the date which is four months and one day after the Closing Date, the certificates representing the Securities will be exchanged by the Corporation for certificates bearing no such legends;

(d) The Subscriber undertakes to immediately notify the Corporation of any change in any statement or other information relating to the Subscriber set forth herein or, if applicable, in Schedule "A" that takes place prior to the Closing Time.

(e) The Corporation is relying on an exemption from the requirement to provide the Subscriber with a prospectus under the Securities Laws and, as a consequence of acquiring the Securities, pursuant to such exemption, certain protections, rights and remedies provided by the Securities Laws, including statutory rights of rescission or damages, will not be available to the Subscriber.

(f) There is no government or other insurance covering the Securities.

(g) The Subscriber acknowledges that this Subscription Agreement and the schedules hereto require the Subscriber to provide certain personal information to the Corporation. Such information is being collected by the Corporation for the purposes of completing the Offering, which includes, without limitation, determining the Subscriber's eligibility to purchase the Securities under the Securities Laws and other applicable securities laws, preparing and registering certificates representing Securities to be issued to the Subscriber and completing filings required by any stock exchange or securities regulatory authority. The Subscriber's personal information may be disclosed by the Corporation to: (a) stock exchanges or securities regulatory authorities; and (b) any of the other parties involved in the Offering, including legal counsel and may be included in record books in connection with the Offering. The Subscriber acknowledges that the Corporation may be required by law to disclose the Subscriber's personal information to government agencies, boards or other entities. By executing this Subscription Agreement, the Subscriber is deemed to be consenting to the foregoing collection, use and disclosure of the Subscriber's personal information. The Subscriber represents and warrants that it has the authority to provide the consents and acknowledgements set out in this paragraph on behalf of each Disclosed Principal.

(h) If the Subscriber is resident in or otherwise subject to the Securities Laws applicable in the Province of Ontario, the information provided by the Subscriber on the face page of this Subscription Agreement identifying the name, address and telephone number of the Subscriber, the number of Securities being purchased hereunder and the total purchase price as well as the closing date and the exemption that the Subscriber is relying on in purchasing the Securities will be disclosed to the Ontario Securities Commission, and such information is being indirectly collected by the Ontario Securities Commission under the authority granted to it under securities legislation. This information is being collected for the purposes of the administration and enforcement of the securities legislation of Ontario. Each Subscriber (for certainty, including each Disclosed Principal) hereby authorizes the indirect collection and provision of such information to the Ontario Securities Commission. In the event the Subscriber has any questions with respect to the indirect collection of such information by the Ontario Securities Commission, the Subscriber should contact the Ontario Securities Commission, Administrative Assistant to the Director of Corporate Finance at (416) 593-8086 or in person or writing at Suite 1900, Box 55, 20 Queen Street West, Toronto, Ontario M5H 3S8.

## ARTICLE 7 – INDEMNITY AND SURVIVAL OF REPRESENTATIONS, WARRANTIES AND COVENANTS

### 7.1 Indemnity and Survival of Representations, Warranties and Covenants of the Corporation

The Corporation agrees to indemnify and save harmless the Subscriber and its respective directors, officers, employees, advisors, affiliates, security holders and agents, and their respective counsel, against all losses, claims, costs, expenses, damages and liabilities which any of them may suffer or incur and which are caused by or arise from any inaccuracy in, or breach or misrepresentation by the Corporation of any representation, warranty and covenant contained in this Subscription Agreement. If the Corporation is unable to satisfy its indemnification obligations (such obligation having been determined by a court of competent jurisdiction, in a final non-appealable judgment) hereunder with cash, the Corporation will issue shares of the Corporation in satisfaction of such indemnification obligations, subject to receipt of all necessary shareholder and regulatory approvals, and at a price to be determined by the Board.

The representations, warranties and covenants of the Corporation contained in this Subscription Agreement shall survive the Closing and, notwithstanding such closings or any investigation made by or on behalf of the Subscriber with respect thereto, shall continue in full force and effect for the benefit of the Subscriber.

### 7.2 Indemnity and Survival of Representations, Warranties and Covenants of the Subscriber

The Subscriber agrees to indemnify and save harmless the Corporation and its respective directors, officers, employees, advisors, affiliates, shareholders and agents, and their respective counsel, against all losses, claims, costs, expenses, damages and liabilities which any of them may suffer or incur and which are caused by or arise from any inaccuracy in, or breach or misrepresentation by the Subscriber of any representation, warranty and covenant contained in this Subscription Agreement.

The representations, warranties and covenants of the Subscriber contained in this Subscription Agreement shall survive the Closing and, notwithstanding such closings or any investigation made by or on behalf of the Corporation with respect thereto and notwithstanding any subsequent disposition by the Subscriber of any of the Securities and shall continue in full force and effect for the benefit of the Corporation.

## ARTICLE 8 – MISCELLANEOUS

### 8.1 Further Assurances

Each of the parties hereto upon the request of each of the other parties hereto, whether before or after the Closing Time, shall do, execute, acknowledge and deliver or cause to be done, executed, acknowledged and delivered all such further acts, deeds, documents, assignments, transfers, conveyances, powers of attorney and assurances as may reasonably be necessary or desirable to complete the transactions contemplated herein.

### 8.2 Notices

(a) Any notice, direction or other instrument required or permitted to be given to any party hereto shall be in writing and shall be sufficiently given if delivered personally, or transmitted by facsimile tested prior to transmission to such party, as follows:

(i) in the case of the Corporation, to:

High River Gold Mines Ltd.
155 University Avenue
Suite 1700
Toronto, Ontario
M5H 3B7

Attention: David Mosher, President and Chief Executive Officer
Fax: 416.360.0010

with a copy to:

Cassels Brock & Blackwell LLP
2100 Scotia Plaza
40 King Street West
Toronto, Ontario
M5H 3C2

Attention: John Vettese
Fax: 416.350.6930

(ii) in the case of the Subscriber, at the address specified on the face page hereof.

(b) Any such notice, direction or other instrument, if delivered personally, shall be deemed to have been given and received on the day on which it was delivered, provided that if such day is not a Business Day then the notice, direction or other instrument shall be deemed to have been given and received on the first Business Day next following such day and if transmitted by fax, shall be deemed to have been given and received on the day of its transmission, provided that if such day is not a Business Day or if it is transmitted or received after the end of normal business hours then the notice, direction or other instrument shall be deemed to have been given and received on the first Business Day next following the day of such transmission.

(c) Any party hereto may change its address for service from time to time by notice given to each of the other parties hereto in accordance with the foregoing provisions.

**8.3 Time of the Essence**

Time shall be of the essence of this Subscription Agreement and every part hereof.

**8.4 Costs and Expenses**

All costs and expenses (including, without limitation, the fees and disbursements of legal counsel) incurred in connection with this Subscription Agreement and the transactions herein contemplated shall be paid and borne by the party incurring such costs and expenses.

**8.5 Applicable Law**

This Subscription Agreement shall be construed and enforced in accordance with, and the rights of the parties shall be governed by, the laws of the Province of Ontario and the laws of Canada applicable therein. Any and all disputes arising under this Subscription Agreement, whether as to interpretation, performance or otherwise, shall be subject to the non-exclusive jurisdiction of the courts of the Province of Ontario and each of the parties hereto hereby irrevocably attorns to the jurisdiction of the courts of such jurisdiction.

**8.6 Entire Agreement**

This Subscription Agreement, including the Schedules hereto, constitutes the entire agreement between the parties with respect to the transactions contemplated herein and cancels and supersedes any prior understandings, agreements, negotiations and discussions between the parties. There are no representations, warranties, terms, conditions, undertakings or collateral agreements or understandings, express or implied, between the parties hereto other than those expressly set forth in this Subscription Agreement or in any such agreement, certificate, affidavit, statutory declaration or other document as aforesaid. This Subscription Agreement may not be amended or modified in any respect except by written instrument executed by each of the parties hereto.

**8.7 Counterparts**

This Subscription Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original and all of which together shall constitute one and the same Subscription Agreement. Counterparts may be delivered either in original or faxed form and the parties adopt any signature received by a receiving fax machine as original signatures of the parties.

**8.8 Assignment**

This Subscription Agreement may not be assigned by either party except with the prior written consent of the other parties hereto.

**8.9 Enurement**

This Subscription Agreement shall enure to the benefit of and be binding upon the parties hereto and their respective heirs, executors, successors (including any successor by reason of the amalgamation or merger of any party), administrators and permitted assigns.

**8.10 Language**

It is the express wish of the Subscriber that the Subscription Agreement and any related documentation be drawn up in English. Il est de la volonté expresse du souscripteur que la convention de souscription ainsi que tout document connexe soient rédigés en langue anglaise.

*[Remainder of page left intentionally blank.]*

The Corporation hereby accepts the subscription for Securities as set forth on the face page of this Subscription Agreement on the terms and conditions contained in the Subscription Agreement (including the applicable Schedules) this 20th day of November, 2008.

**HIGH RIVER GOLD MINES LTD.**

By: ______________________

Name: David Mosher

Title: President and Chief Executive Officer

## SCHEDULE "A"

## CERTIFICATE OF ACCREDITED INVESTOR

**CAPITALIZED TERMS NOT HEREIN DEFINED SHALL HAVE THE MEANINGS ASCRIBED TO THEM IN THE SUBSCRIPTION AGREEMENT TO WHICH THIS SCHEDULE IS ATTACHED.**

*The categories listed herein contain certain specifically defined terms. If you are unsure as to the meanings of those terms, or are unsure as to the applicability of any below category, please contact your broker and/or legal adviser before completing this form.*

**TO:** HIGH RIVER GOLD MINES LTD. (the "**Corporation**")

In connection with the purchase by the undersigned of Securities, the undersigned, on its own behalf or, if applicable, on behalf of the disclosed principal for whom the undersigned is purchasing as agent (the undersigned or, if applicable, such disclosed principal being referred to in this Schedule "A" as the "**Purchaser**"), as the case may be, hereby represents, warrants, covenants and certifies to the Corporation (and acknowledges that the Corporation and its counsel are relying thereon) that:

(a) the Purchaser is resident in or otherwise subject to the securities laws of one of the provinces of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, New Brunswick, Nova Scotia, Prince Edward Island or Newfoundland and Labrador;

(b) the Purchaser is purchasing the Securities as principal for its own account and not for the benefit of any other person or is deemed to be purchasing as principal pursuant to section 2.3 of National Instrument 45-106 *Prospectus and Registration Exemptions* ("**NI 45-106**");

(c) the Purchaser is an "accredited investor" within the meaning of NI 45-106 on the basis that the Purchaser fits within the category of an "accredited investor" reproduced below beside which the undersigned has indicated the Purchaser belongs to such category;

(d) the Purchaser was not created and is not being used solely to purchase or hold securities as an accredited investor as described in paragraph (m) of the definition of "accredited investor" in section 1.1 of NI 45-106; and

(e) upon execution of this Schedule "A" by the undersigned, this Schedule "A" shall be incorporated into and form a part of the Subscription Agreement.

(PLEASE CHECK THE BOX OF THE APPLICABLE CATEGORY OF ACCREDITED INVESTOR)

☐ (a) a Canadian financial institution, or a Schedule III bank;

☐ (b) the Business Development Bank of Canada incorporated under the *Business Development Bank of Canada Act* (Canada);

☐ (c) a subsidiary of any person referred to in paragraphs (a) or (b), if the person owns all of the voting securities of the subsidiary, except the voting securities required by law to be owned by directors of that subsidiary;

☐ (d) a person registered under the securities legislation of a jurisdiction of Canada as an adviser or dealer, other than a person registered solely as a limited market dealer under one or both of the *Securities Act* (Ontario) or the *Securities Act* (Newfoundland and Labrador);

☐ (e) an individual registered or formerly registered under the securities legislation of a jurisdiction of Canada as a representative of a person referred to in paragraph (d);

☐ (f) the Government of Canada or a jurisdiction of Canada, or any crown corporation, agency or wholly owned entity of the Government of Canada or a jurisdiction of Canada;

☐ (g) a municipality, public board or commission in Canada and a metropolitan community, school board, the Comité de gestion de la taxe scolaire de l'île de Montréal or an intermunicipal management board in Québec;

☐ (h) any national, federal, state, provincial, territorial or municipal government of or in any foreign jurisdiction, or any agency of that government;

☐ (i) a pension fund that is regulated by either the Office of the Superintendent of Financial Institutions (Canada) or a pension commission or similar regulatory authority of a jurisdiction of Canada;

☐ (j) an individual who, either alone or with a spouse, beneficially owns, directly or indirectly, financial assets having an aggregate realizable value that before taxes, but net of any related liabilities, exceeds CDN$1,000,000;

☐ (k) an individual whose net income before taxes exceeded CDN$200,000 in each of the two most recent calendar years or whose net income before taxes combined with that of a spouse exceeded CDN$300,000 in each of the two most recent calendar years and who, in either case, reasonably expects to exceed that net income level in the current calendar year;

☐ (l) an individual who, either alone or with a spouse, has net assets of at least CDN5,000,000;

☒ (m) a person, other than an individual or investment fund, that has net assets of at least CDN$5,000,000 as shown on its most recently prepared financial statements;

☐ (n) an investment fund that distributes or has distributed its securities only to (i) a person that is or was an accredited investor at the time of the distribution, (ii) a person that acquires or acquired securities in the circumstances referred to in sections 2.10 [*Minimum amount investment*] and 2.19 [*Additional investment in investment funds*] of NI 45-106, or (iii) a person described in paragraph (i) or (ii) that acquires or acquired securities under section 2.18 [*Investment fund reinvestment*] of NI 45-106;

☐ (o) an investment fund that distributes or has distributed securities under a prospectus in a jurisdiction of Canada for which the regulator or, in Québec, the securities regulatory authority, has issued a receipt;

☐ (p) a trust company or trust corporation registered or authorized to carry on business under the *Trust and Loan Companies Act* (Canada) or under comparable legislation in a jurisdiction of Canada or a foreign jurisdiction, acting on behalf of a fully managed account managed by the trust company or trust corporation, as the case may be;

☐ (q) a person acting on behalf of a fully managed account managed by that person, if that person (i) is registered or authorized to carry on business as an adviser or the equivalent under the securities legislation of a jurisdiction of Canada or a foreign jurisdiction, and (ii) in Ontario, is purchasing a security that is not a security of an investment fund;

☐ (r) a registered charity under the *Income Tax Act* (Canada) that, in regard to the trade, has obtained advice from an eligibility adviser or an adviser registered under the securities legislation of the jurisdiction of the registered charity to give advice on the securities being traded;

☐ (s) an entity organized in a foreign jurisdiction that is analogous to any of the entities referred to in paragraphs (a) to (d) or paragraph (i) in form and function;

☐ (t) a person in respect of which all of the owners of interests, direct, indirect or beneficial, except the voting securities required by law to be owned by directors, are persons that are accredited investors;

☐ (u) an investment fund that is advised by a person registered as an adviser or a person that is exempt from registration as an adviser; or

☐ (v) a person that is recognized or designated by the securities regulatory authority or, except in Ontario and Québec, the regulator as (i) an accredited investor, or (ii) an exempt purchaser in Alberta or British Columbia after NI 45-106 came into force.

For the purposes hereof, the following definitions are included for convenience:

(a) "**Canadian financial institution**" means (i) an association governed by the *Cooperative Credit Associations Act* (Canada) or a central cooperative credit society for which an order has been made under section 473(1) of that Act, or (ii) a bank, loan corporation, trust company, trust corporation, insurance company, treasury branch, credit union, caisse populaire, financial services cooperative, or league that, in each case, is authorized by an enactment of Canada or a jurisdiction of Canada to carry on business in Canada or a jurisdiction of Canada;

(b) "**control person**" has the same meaning as in securities legislation except in Manitoba, Newfoundland and Labrador, Northwest Territories, Nova Scotia, Nunavut, Ontario, Prince Edward Island and Québec where control person means any person that holds or is one of a combination of persons that holds (i) a sufficient number of any of the securities of an issuer so as to affect materially the control of the issuer, or (ii) more than 20% of the outstanding voting securities of an issuer except where there is evidence showing that the holding of those securities does not affect materially the control of the issuer;

(c) "**financial assets**" means (i) cash, (ii) securities, or (iii) a contract of insurance, a deposit or an evidence of a deposit that is not a security for the purposes of securities legislation;

(d) "**founder**" means, in respect of an issuer, a person who, (i) acting alone, in conjunction, or in concert with one or more persons, directly or indirectly, takes the initiative in founding, organizing or substantially reorganizing the business of the issuer, and (ii) at the time of the trade is actively involved in the business of the issuer;

(e) "**fully managed account**" means an account of a client for which a person makes the investment decisions if that person has full discretion to trade in securities for the account without requiring the client's express consent to a transaction;

(f) "**investment fund**" means a mutual fund or a non-redeemable investment fund, and, for greater certainty in British Columbia, includes an employee venture capital corporation that does not have a restricted constitution, and is registered under Part 2 of the *Employee Investment Act* (British Columbia), R.S.B.C. 1996 c. 112, and whose business objective is making multiple investments and a venture capital corporation registered under Part 1 of the *Small Business Venture Capital Act* (British Columbia), R.S.B.C. 1996 c. 429 whose business objective is making multiple investments;

(g) "**mutual fund**" means an issuer whose primary purpose is to invest money provided by its security holders and whose securities entitle the holder to receive on demand, or within a specified period after demand, an amount computed by reference to the value of a proportionate interest in the whole or in part of the net assets, including a separate fund or trust account, of the issuer and in Alberta includes an issuer that is designated as a mutual fund by the Alberta Securities Commission, but in Alberta does not include an issuer, or class of issuers, that is designated not to be a mutual fund by the Alberta Securities Commission;

(h) "**non-redeemable investment fund**" means an issuer,

(A) whose primary purpose is to invest money provided by its securityholders,

(B) that does not invest,

(i) for the purpose of exercising or seeking to exercise control of an issuer, other than an issuer that is a mutual fund or a non-redeemable investment fund, or

(ii) for the purpose of being actively involved in the management of any issuer in which it invests, other than an issuer that is a mutual fund or a non-redeemable investment fund, and

(C) that is not a mutual fund;

(j) **"related liabilities"** means (i) liabilities incurred or assumed for the purpose of financing the acquisition or ownership of financial assets; or (ii) liabilities that are secured by financial assets;

(k) **"Schedule III bank"** means an authorized foreign bank named in Schedule III of the *Bank Act* (Canada);

(l) **"spouse"** means an individual who (i) is married to another individual and is not living separate and apart within the meaning of the *Divorce Act* (Canada), from the other individual, (ii) is living with another individual in a marriage-like relationship, including a marriage-like relationship between individuals of the same gender, or (iii) in Alberta, is an individual referred to in paragraph (i) or (ii), or is an adult interdependent partner within the meaning of the *Adult Interdependent Relationships Act* (Alberta); and

(m) **"subsidiary"** means an issuer that is controlled directly or indirectly by another issuer and includes a subsidiary of that subsidiary.

In NI 45-106, an issuer is considered to be an affiliate of another issuer if one of them is the subsidiary of the other, or if each of them is controlled by the same person.

In NI 45-106 a person (first person) is considered to control another person (second person) if (a) the first person, directly or indirectly, beneficially owns or exercises control or direction over securities of the second person carrying votes which, if exercised, would entitle the first person to elect a majority of the directors of the second person, unless that first person holds the voting securities only to secure an obligation, (b) the second person is a partnership, other than a limited partnership, and the first person holds more than 50% of the interests of the partnership, or (c) the second person is a limited partnership and the general partner of the limited partnership is the first person.

The foregoing representations contained in this certificate are true and accurate as of the date of this certificate and will be true and accurate as of the Closing Time. If any such representations shall not be true and accurate prior to the Closing Time, the undersigned shall give immediate written notice of such fact to the Corporation prior to the Closing Time.

Dated: 20 November 2008

Signed:

Witness

Lybica Holding B.V.

J.E. Brugmans

If Subscriber is a corporation,
Equity Trust Co. N.V.

# SCHEDULE "B"

## APPOINTMENTS

1. High River Gold Mines (International) Ltd.
2. High River Gold Mines (Russia) Ltd.
3. High River Gold Mines (West Africa) Ltd.

# SCHEDULE “C

## FORM OF OPINION

1. The Corporation is a corporation existing under the laws of Canada and has the corporate power and capacity to own its properties and assets and to carry on its business as it is currently being conducted.

2. The Corporation has the corporate power and capacity to enter into the Subscription Agreement and to perform its obligations under the Subscription Agreement and to issue and deliver the Common Shares, Warrants and, upon exercise of the Warrants, the Warrant Shares, and the Corporation has taken all necessary corporate action to authorize the execution and delivery by the Corporation of the Subscription Agreement and the Subscription Agreement constitutes a legal, valid and binding obligation of the Corporation enforceable in accordance with its terms.

3. The Corporation is a “reporting issuer” within the meaning of applicable Securities Laws in the province of Ontario.

4. The execution and delivery of the Subscription Agreement and the performance by the Corporation of its obligations under the Subscription Agreement and the issue and sale of the Common Shares, Warrants and, on exercise of the Warrants, the Warrant Shares, by the Corporation does not result in a breach of, or conflict with the constating documents or by-laws of the Corporation.

5. The issuance of the Common Shares and Warrants and, on exercise of the Warrants, the Warrant Shares, has been authorized by all necessary corporate action and the Common Shares have been validly issued as fully paid and non-assessable securities of the Corporation and the Warrants have been validly issued and, on exercise of the Warrants in accordance with their terms, including payment therefore, the Warrant Shares will be validly issued as fully paid and non-assessable securities of the Corporation.

6. The issuance and sale of the Common Shares and Warrants by the Corporation is exempt from the prospectus and registration requirements of applicable Securities Laws and no prospectus or other documents must be filed, proceedings taken or approvals, permits, consents, orders or authorizations obtained by the Corporation under applicable Securities Laws to permit the issuance and sale of the Common Shares and Warrants to the Purchaser, subject to the filing by the Corporation on or before the 10th day after the date of such issue and sale of a report on Form 45- 106F1 prepared and executed in accordance with National Instrument 45-106 Prospectus and Registration Exemptions and payment of the requisite filing fees.

7. The listing of the Common Shares, including the Warrant Shares has been conditionally approved by the TSX, and subject to the Corporation fulfilling the filing requirements of the TSX as set forth in the letter of the TSX dated November ●, 2008, the Common Shares and Warrant Shares will be posted for trading on the TSX.

8. The Corporation is authorized to issued an unlimited number of common shares and an unlimited number of preferred shares, issuable in series. Of such common shares, 307,905,158 common shares are issued and outstanding as at November ●, 2008 (without giving effect to the transactions contemplated hereby).

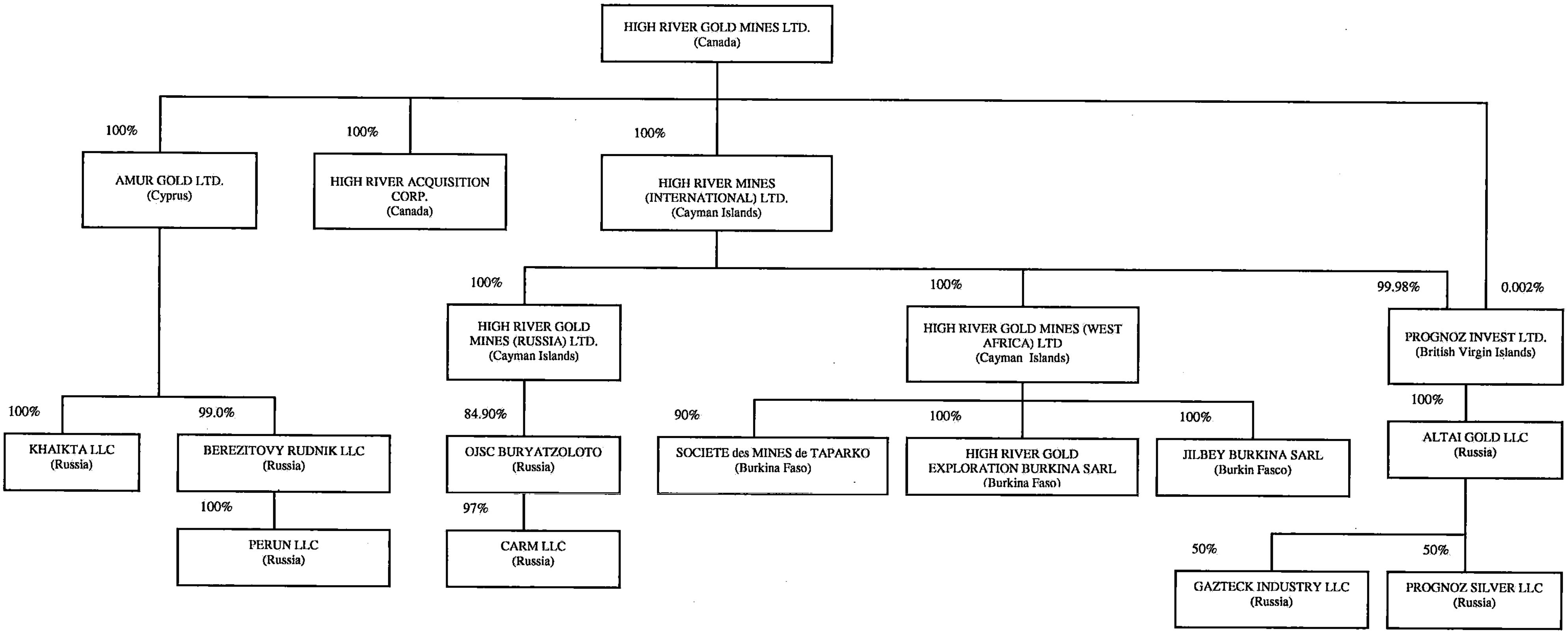
# SCHEDULE “D”

## SUBSIDIARIES

**(Please see attached.)**

**[Corporate organization chart attached, remainder of Schedule “D”, which sets out all mortgages, liens, charges, pledges, security interests, encumbrances, claims or demands whatsoever redacted.]**

# HIGH RIVER GOLD MINES LTD.
# CORPORATE ORGANIZATION CHART



## SCHEDULE “E”

## OUTSTANDING APPROVALS

1. Approval of the Ministry of the Russian Federation and Support of Businesses
2. Approval under the *Investment Canada Act*.

# SCHEDULE "F"

## SEVERANCE ARRANGEMENTS

**HIGH RIVER GOLD MINES LTD.**
**SEVERANCE COMMITMENTS - Canadian Dollars**

| Title | Severance Commitment |
|---|---|
| Former Executive Chairman | $1,766,900 |
| President and Chief Executive Officer | $2,253,488 |
| Chief Financial Officer | $ 722,037 |
| Executive Vice President and Chief Operating Officer | $2,125,166 |
| Vice President Exploration | $ 515,113 |
| Vice President Investor Relations | $ 167,500 |
| Vice President Health, Safety and Environment | $ 170,040 |
| Controller | $ 169,992 |
| Administration Manager | $ 204,000 |
| | $8,094,236 |

## SCHEDULE “G”

### TOTAL INDEBTEDNESS

(See attached.)

**[Schedule “G” redacted.]**