

High River Announces Production Results for Q1 2012

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TORONTO, ONTARIO -- (Marketwire) -- 04/24/12 -- [High River Gold Mines Ltd.](#) (TSX: HRG) ("High River" or the "Company") announces its production results for the first quarter ending March 31, 2012.

Highlights

- Q1 gold production of 84.4 thousand gold equivalent ounces ("koz"), 7% below production in Q1 2011
- Increase in Q1 2012 production (+3% vs Q1 2011) at Buryatzoloto, with lower production at Taparko (-13%) and Berezitovy (-10%) due to temporary mechanical bottlenecks that have been rectified
- The increased average realised gold price of \$1,676 per ounce over the quarter had a positive impact on cash flow and earnings with revenue at \$141 m
- Significant progress on greenfield and debottlenecking projects:
 - Bissa - construction phase progressing on schedule; first production to begin in 1H 2013
 - Taparko - regrind mill and two additional leach tanks to start in June 2012
 - Berezitovy - installation of the secondary crusher and a new pinion is on track for June 2012
- The Company expects gold production for the full year to be in the range of 380 and 400 koz. Significant production growth in H2 will be primarily driven by:
 - Launch of heap leach at Berezitovy
 - Elimination of mechanical bottlenecks at Taparko and Berezitovy

Production Summary

Operating results	Q12012	Q12011	Change
Ore mined, kt	973	984	(1%)
Ore milled, kt	819	858	(5%)
Grade, g/t	3,55	3,7	(4%)
Recovery, %	89,2%	91,0	(1.8 pp)
Gold production, Koz	84,4	90.5	(7%)
Gold sold, Koz	84,4	90.2	(6%)
Average realised gold price per ounce sold, US\$/oz	1,676	1,409	19%
Revenue, US\$ m	141,4	127	11%
LTIFR ratio	3.00	1.26	238%

Refined gold production by mines(1)

Operating results	Q1 2012 (koz)	Q1 2011 (koz)	Change
Taparko	32.4	37.3	(13%)
Buryatzoloto	31.6	30.7	3%
Berezitovy	20.3	22.5	(10%)
High River	84.4	90.5	(7%)

Note:

(1) Gold equivalent (based on 1:45Ag/Au rate for Q1 2012. Silver production amounts 1 koz in gold equivalent for the Q1 2012).

Overview

In Q1 2012, production decreased by 7% to 84.4 koz compared to Q1 2011 production of 90.5 koz. Buryatzoloto was an outperforming y-o-y mine, while Taparko and Berezitovy were underperformers with lower production y-o-y. The main reasons for this underperformance are temporary mechanical bottlenecks that have been largely solved during the first quarter 2012. A more detailed explanation is provided in the mine site summary below.

Despite the temporary operational matters at certain minesites, the Company remains on track to achieve full year production target of 380-400 koz in 2012. Management expects a skew toward the second half driven by the new heap leach launch at Berezitovy mine. The production volumes at the Taparko and Berezitovy mines should be reflected by elimination of mechanical bottlenecks at these mines during Q1 2012.

Revenue from metal sales was US\$141 million in Q1 2012, versus US\$127 million during the same period in 2011, an increase of 11% reflecting stronger average realized gold price of US\$1,676 per ounce, 19% higher than in the comparable period in 2011.

Mine site summary

Burkina Faso

Taparko

Operating results(i)	Q1 2012	Q1 2011	Change
Ore mined, kt	362	407	(11%)
Ore milled, kt	404	380	6%
Grade, g/t	3.03	3.46	(12%)
Recovery, %	84.7%	86.7%	(2 pp)
Gold production, koz	32.4	37.3	(13%)
Gold sold, koz	32.5	37.3	(13%)
Average realised gold price per ounce sold, US\$/oz	1,672	1,400	19%
Revenue, US\$ m	54.3	52.3	4%

(i) Ore processed multiplied by head grade and multiplied by recovery may not be equal gold produced due to differences in work in progress figures and volumes of silver production.

Processing

Ore processing increased by 6% in Q1 2012, which partially offset a slight deterioration in head grade at this mine. We processed c.404,000 tonnes of ore in Q1 2012, an increase of 6% on the same period last year.

Head Grade

Overall head grade in the first quarter was 3.03 g/t at this facility, compared to 3.46 g/t in the first quarter of last year, due to mine plan variations

Recovery

In the first quarter, Taparko was influenced by two factors affecting recovery - we processed more ore, while

head grade was lower. As a result, recovery reduced by 2% from 86.7% in the first quarter of 2011 to 84.7% in the first quarter of this year.

We are working on several upgrades which should significantly improve recovery at Taparko starting from Q3. These include the installation of a regrind and two leach tanks to increase recovery by about 5%, as well as a mobile crusher to reduce the impact of the rainy season.

Russia

Buryatzoloto

Operating results(i)	Q1 2012	Q1 2011	Change
Ore mined, kt	169	155	9%
Ore milled, kt	171	153	12%
Grade, g/t	5.84	6.86	(15%)
Recovery, %	93.7%	92.6%	1.1 pp
Gold production, koz	31.6	30.7	3%
Gold sold, koz	31.6	30.4	4%
Average realised gold price per ounce sold, US\$/oz	1,672	1,424	17%
Revenue, US\$ m	52.8	43.3	22%

(i) Ore processed multiplied by head grade and multiplied by recovery may not be equal gold produced due to differences in work in progress figures and volumes of silver production.

Processing

Ore processing has increased due to better availability of the mills at both Irokinda and Zun Holba head grade.

Head Grade

Head grade reduced slightly due to mine plan scheduling. According to the mine plan, we are expecting better grades for the remainder of the year.

Recovery

The Company completed a recovery improvement program at Buryatzoloto in the end of last year, the benefits of which we are now beginning to see in the recovery rates.

Berezitovy

Operating results(i)	Q1 2012	Q1 2011	Change
Ore mined, kt	442	422	5%
Ore milled, kt	243	325	(25%)
Grade, g/t	2.81	2.51	12%
Recovery, %	90.6%	90.4%	0.2 pp
Gold production, koz	20.3	22.5	(10%)
Gold sold, koz	20.4	22.5	(9%)
Average realised gold price per ounce sold, US\$/oz	1,687	1,403	20%
Revenue, US\$ m	34.4	31.5	9%

(i) Ore processed multiplied by head grade and multiplied by recovery may not be equal gold produced due to differences in work in progress figures and volumes of silver production.

Processing

In November 2011 a pinion of the SAG mill at failed. It was immediately replaced with a temporary unit that enabled the plant to work at 75% of its design capacity. We expect to fully eliminate this bottleneck in early May when a new gear shaft is received.

An installation of a secondary crusher in June should further improve plant productivity by reducing the size of SAG mill feed.

Head Grade

Head grade available for mining has been higher than in Q1 of last year. We expect head grade to moderate in H2 2012.

Recovery

The observed recovery is largely flat and slightly above plant's design recovery.

Exploration & Development**Bissa**

The main achievement for Q1 2012 was construction of the dam that was started in February 2012 with the clear target to finish all ground works before the end of May. That was one of the most significant challenges that might negatively influence production volumes for the first year for Bissa. The dam allows us to collect the appropriate amount of water during the rainy season and be prepared for the beginning of production.

We have now received half of the mining fleet on site with the expectation for the remainder to be delivered in July. Onsite we now have ten dump trucks, two graders, three excavators, one telehandler, one dozer and three loaders.

Plant construction is also underway: we have built a foundation for the leaching tanks and started construction of those tanks. The mill delivery is also underway with the scheduled arrival time in the second half of June. We are currently working on the foundation for the mills, and during the first quarter construction

advanced significantly. A further update on the progress of construction will be given at the Company's interim results. At the end of March, we started construction of the ROM pad and crusher. We are also on track to erect the onsite LFO\HFO power generators.

During the first quarter this year we have been working on the camp for mine employees and we are proud to state that the camp is now almost 100% complete, and we are only awaiting some kitchen equipment and final completion of the swimming pool.

We are currently in the design phase for the tailing dam, which is on time with our development plan for the overall project.

We reached an agreement with the government and local communities on the relocation of two small villages that will be affected by future mine operations. New villages for the relocated communities are built, which retained the approximate layout of the existing villages, reflecting our belief that the shape of communities is important to their success. We also provided social infrastructure and services to the relocated villages, including a water supply, medical center, school, church, mosque, and a community meeting place.

The project is well on track to deliver first gold in 1H13.

About High River

High River is an unhedged gold company with interests in producing mines, development and advanced exploration projects in Russia and Burkina Faso. Two underground mines, Zun-Holba and Irokinda, are situated in the Lake Baikal region of Russia. Two open pit gold mines, Berezhitovy in Russia and Taparko-Bouroum in Burkina Faso, are also in production. Finally, High River has a 90% interest in a development project, the Bissa gold project in Burkina Faso, and a 50% interest in an advanced exploration project with NI 43-101 compliant resource estimates, the Prognoz silver project in Russia.

FORWARD LOOKING INFORMATION

This release contains forward-looking statements. Wherever possible, words such as "intends", "expects", "scheduled", "estimates", "anticipates", "believes", and similar expressions or statements that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved, have been used to identify these forward-looking statements. Although the forward-looking statements contained in this release reflect management's current beliefs based upon information currently available to management and based upon what management believes to be reasonable assumptions, High River cannot be certain that actual results will be consistent with these forward-looking statements. A number of factors could cause events and achievements to differ materially from the results expressed or implied in the forward-looking statements. These factors should be considered carefully and prospective investors should not place undue reliance on the forward-looking statements. Forward-looking statements necessarily involve significant known and unknown risks, assumptions and uncertainties that may cause High River's actual results, events, prospects and opportunities to differ materially from those expressed or implied by such forward-looking statements. Although High River has attempted to identify important risks and factors that could cause actual actions, events or results to differ materially from those described in forward-looking statements, there may be other factors and risks that cause actions, events or results not to be anticipated, estimated or intended, including those risk factors discussed in the Company's 2011 Annual Information Form. There can be no assurance that the forward-looking statements will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. Accordingly, prospective investors should not place undue reliance on forward-looking statements. Any forward-looking statements are made as of the date of this release, and High River assumes no obligation to update or revise them to reflect new events or circumstances, unless otherwise required by law.

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