



## HIGH DESERT GOLD CORPORATION

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#### **High Desert Gold Corporation Provides Update on Shareholder Rights Plan**

**November 3, 2008**

**TSX: HDG, HDG.WT**

High Desert Gold Corporation (“HDG” or the “Company”) today provided an update on its shareholder rights plan (the “Rights Plan”) which was adopted effective October 29, 2008, subject to acceptance by the Toronto Stock Exchange (the “TSX”).

The Company has been advised that Northern Financial Corporation (“Northern”) intends to submit an application to the British Columbia Securities Commission (the “BCSC”) requesting that the Rights Plan be cease traded. As a result, the TSX has determined to defer its consideration of the acceptance for filing of the Rights Plan until such time as the TSX is satisfied that the BCSC will not intervene.

As previously announced, the rights were issued to holders of record at 12:01 a.m. (Toronto time) on October 29, 2008. Following the implementation of the Rights Plan, Northern commenced its unsolicited take-over bid which is open until 5:00 p.m. (Toronto time) on December 5, 2008 unless extended or withdrawn. As it stands, Northern’s offer is not a “permitted bid” under the Rights Plan. Pursuant to the Rights Plan, the rights will separate from the common shares at the “Separation Time” which, given that Northern’s offer is not a “permitted bid”, will be the close of business on November 3, 2008 or such later date as may be determined by the board of directors of the Company (the “Board”). At the Separation Time, the rights will separate from the common shares, become exercisable and a rights certificate will be mailed to each holder of record of common shares as of the Separation Time.

Given the Board’s desire to conserve cash and focus on maximizing shareholder value, the Board has exercised its discretion under the Rights Plan to delay the Separation Time until the earlier of: (i) the BCSC having completed its review of the matter; (ii) Northern becoming the beneficial owner of 20% or more of the outstanding commons shares (in effect, an “Acquiring Person” under the Rights Plan); and (iii) noon (Toronto time) on December 5, 2008. This means that the rights are not yet exercisable, nor will rights certificates be issued at this time.

The Board considered seeking shareholder approval for the Rights Plan but has concluded that there is not sufficient time to do so before the expiry of Northern’s offer and in any event such a process would be costly. Instead, if Northern can present evidence that at least 50% plus one of the outstanding common shares, including common shares already owned by Northern, have been tendered to and not withdrawn from its offer before noon (Toronto time) on December 5, 2008, the Board is prepared to accept that as clear evidence of the wishes of the majority of the Company’s shareholders and will take such necessary action so that Northern can immediately take-up and pay for those common shares tendered to and not withdrawn from its offer.

It is the Board’s hope that it will have superior alternatives to present to shareholders over the next two weeks and in its directors’ circular, which it will issue on or before November 14, 2008. As previously

announced, these alternatives may include a superior transaction involving another company or declaring and paying a cash dividend of a substantial majority of the Company's cash. The Special Committee is also considering the possibility of a substantial issuer bid to buy back a significant number of its outstanding shares, which would have the effect of distributing a substantial majority of the Company's cash to those shareholders who wish to sell their shares to the Company for cancellation.

**The Company continues to urge shareholders not to take any action with respect to Northern's unsolicited take-over bid pending further updates from the Company.**

The Company is a mineral exploration company that acquires and explores mineral properties, primarily gold, copper and silver, in North America. The three major properties held by HDG are the flagship Canasta Dorada gold property in Sonora, Mexico, the Gold Lake porphyry copper-gold-molybdenum property in New Mexico and the Monitor copper-silver property in Arizona.

Additional information concerning HDG may be obtained on HDG's website, [www.highdesertgoldcorp.com](http://www.highdesertgoldcorp.com), and on SEDAR at [www.sedar.com](http://www.sedar.com), under HDG's profile.

Certain statements contained herein constitute "forward-looking statements". These forward-looking statements are based on current expectations and various estimates, factors and assumptions and involve known and unknown risks, uncertainties and other factors. The material factors and assumptions that were applied in making the forward-looking statements in this release include but are not limited to assumptions regarding: review of the matter by the BCSC and the TSX; the current status of Northern's unsolicited take-over bid; Northern not already being an "Acquiring Person" under the Rights Plan; Northern's bid expiring at 5:00 p.m. (Toronto time) on December 5, 2008; and there being no restriction on the Board's ability to take the necessary action so that Northern can immediately take-up and pay for those common shares tendered to and not withdrawn from its offer. Material factors that could cause actual results to differ materially from the forward-looking statements in this release include risks and uncertainties relating to: Northern's unsolicited take-over bid; and the availability of any superior alternatives to present to shareholders and whether any such alternative can be sufficiently pursued before the expiry of Northern's bid. Readers are cautioned not to place undue reliance on these statements as the Company's actual results, performance or achievements may differ materially from any future results, performance or achievements expressed or implied by such forward-looking statements if known or unknown risks, uncertainties or other factors affect the Company or its business, or if the Company's estimates or assumptions prove inaccurate. The Company cannot provide any assurance that forward-looking statements will materialize. Except as required by law, the Company assumes no obligation to update or revise any forward-looking statement, whether as a result of new information, future events or any other reason. Additional information regarding risks and uncertainties that could affect the Company's business is contained in the Company's MD&A and in its Annual Information Form, which are available on SEDAR at [www.sedar.com](http://www.sedar.com).

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