FORM 51-102F1

ANNUAL MANAGEMENT DISCUSSION AND ANALYSIS

FOR

FIRE RIVER GOLD CORP.

MANAGEMENT DISCUSSION AND ANALYSIS

The following discussion and analysis is Management's assessment of the results and financial condition of Fire River Gold Corp. (the "Company" or "FAU") for the year ended 31 October 2011 and should be read in conjunction with the consolidated financial statements and the related notes. The date of this Management Discussion and Analysis is 28 February 2012. Additional information on the Company is available on SEDAR at www.sedar.com.

BUSINESS OF FIRE RIVER GOLD CORP.

Fire River Gold Corp. is a near term production company with an experienced technical team focused on bringing its flagship project, the Nixon Fork Gold Mine, back into production. The Nixon Fork Gold Mine is a fully permitted and bonded gold mine with recent past production. Facilities at the Nixon Fork Gold Mine include a 200+ tpd flotation plant with a gravity gold separation circuit and a sulphide floatation circuit. In 2008, a carbon-in-leach (CIL) gold leaching circuit was purchased and partially installed. With the implementation of the CIL circuit, the gravity circuit will no longer be used. The mine also includes a fleet of mining vehicles, a self-contained diesel power plant, maintenance facilities, drilling equipment, an 85 person camp, office facilities and a 1.2 kilometre ("km") long landing strip. Nixon Fork is located within Alaska's Tintina Gold Belt, which hosts numerous world class deposits.

FORWARD LOOKING STATEMENTS

Certain information included in this discussion may constitute forward-looking statements. Forward-looking statements are based on current expectations and entail various risks and uncertainties. These risks and uncertainties could cause or contribute to actual results that are materially different than those expressed or implied. The Company disclaims any obligation or intention to update or revise any forward-looking statement, whether as a result of new information, future events, or otherwise.

Project Overview:

DRAKEN PROPERTY

The first acquisition for the Company was the Draken Project. The property is located in southeast-central Alaska, approximately 288km southeast of Fairbanks, Alaska, and approximately 61km west of the Canadian border.

The property is located in the Yukon-Tanana lithotectonic terrane, a Paleozoic terrane of largely continental affinity. In easternmost Alaska this terrane is bounded by major northwest-trending, dextral strike-slip faults, including the Tintina fault to the north and the Denali fault to the south. The terrane is dissected by a large number of major northeast-trending, high angle faults with significant dip slip displacements which has effectively created a block faulted tectonic regime. This movement has jostled mineral deposits with different metallogenies and other characteristics.

Known mineralization within the Draken property consists of polymetallic sulfide-quartz vein mineralization with anomalous silver ("Ag"), gold ("Au"), bismuth ("Bi"), arsenic ("As"), copper ("Cu"), lead ("Pb"), tungsten ("W") and uranium ("U"). This type of mineralization is documented at the Silver Lining prospect, located on the west portion of the property, as well as the Two Mile prospect just north of the property. Host rocks for the polymetallic veins dominantly consist of massive hornblende-biotite quartz monzonite. Government geologists have documented porphyry style Cu-Molybdenum ("Mo")-Au mineralization at the Two Mile prospect and other occurrences nearby (Singer and others, 1976). Potential for pegmatite- or vein-hosted U-Th-REE mineralization is also noted. Previous workers conducted a radiometric survey indicating anomalous radioactivity associated with the ring dike zone. A sample collected approximately 200m east of the property and within the ring dike complex contained highly anomalous U-Nb-F-REE.

The Company is seeking joint venture partners to fund the development of this project.

KANSAS CREEK GOLD PROJECT

On 19 June 2008, the Company signed an agreement to acquire a 100% interest from Anglo Alaska Gold Corp. (“AAGC”) certain mineral claims referred to as the Kansas Creek Project. In consideration, the Company paid an aggregate of US$40,000 and will also issue an aggregate of 250,000 common shares (200,000 shares issued and 50,000 shares upon first transfer of property to a third party). The property is subject to a 1.5% net smelter return royalty (“NSR”) of which the Company may purchase 1.0% of the 1.5% NSR from the Vendor in consideration for a cash payment of US$1,000,000 in which case, the Vendor shall retain a 0.5% NSR.

The Kansas Creek Project is located in the Bonnifield District of the central Alaska Range in central-interior Alaska approximately 110km south of Fairbanks, Alaska and 70km east of Healy, Alaska. The Project consists of 28 State of Alaska mining claims covering a 16.8 sq. km area. Placer gold was discovered in the district in 1906 and approximately 80,000 ounces of Au have been recovered from alluvial deposits through 2008. The Company’s objective is to explore the project for lode gold potential. A three phase program totalling over US$1.0 million has been recommended. The Company is currently seeking joint venture partners to fund the development of the Kansas Creek project.

NIXON FORK GOLD MINE

The primary focus of the Company in 2011 was to bring the Nixon Fork Gold Mine back into production.

Prior to resuming mining operations, the Crystal Mine Portal was scaled and rebolted. The main ramp was also check scaled and minor portions were bolted. The most extensive rehabilitation program was in the ventilation raise, which serves as a secondary egress from the mine. A minor amount of bolting and shotcreting was done, services were re-aligned, several landings were added, and all vertical ladders were sloped to make it compliant and serviceable.

A total of 19,673 m of underground diamond drilling was performed between 1 November 2010 and 31 October 2011. The drilling was focussed on definition drilling of the active mining areas and to expand resources in near term mining zones. Results have been released throughout the year. Company-owned drills and crews are used exclusively.

One significant exploration discovery was made this year: the down-dip extension of the Hi Grade Recreation Zone was located. This area was mined to a depth of 50 m from surface (to 330 mASL) in the 1920s. The zone was found to bottom out in the original mining program, and diamond drilling performed by the company and prior operators could not establish the existence of a down-dip extension. Applying a horizontal offset evident in the 3300 Zone to the 3550 Zone, our geologists deduced that it was possible that the down-dip extension existed. Three longer holes were planned and drilled to test the theory, which yielded very positive initial results in the form of mineralized zones with visible gold. The best intercept was found in holes N11U-226 and N11U-228, which yielded intercepts of 3.4 metres ("m") grading 93.8 grams per tone ("g/t") and 2.6 m grading 92.2 g/t. This area could represent near term production, as it is located within 150 m of existing development along its entire vertical extent.

The underground mining fleet was enhanced with the purchase of a one-boom electric-hydraulic drill jumbo, a second Hagby diamond drill, two 4 yd^3 scooptrams, two 26 ton trucks, a longhole drill buggy, services lift truck, man carriers, and a small tractor-mounted scaling machine. The surface fleet was also expanded to complete the construction of the dry stack with the addition of an excavator, grader, dozer, and articulated truck, as well as two additional pick up trucks. The latter will be used to haul final tailings from the Carbon-in-leach ("CIL") filter for permanent placement on the dry stack. A rockbreaker attachment was also purchased for the excavator to reduce oversize ore on surface.

The mine began producing ore in May of 2011. By the end of October a total of 12,969 tonnes were mined at an average grade of 17 g/t gold. The most productive month was October, in which 5,223 tonnes was mined at an average grade of 18.9 g/t gold. All of the extracted ore thus far has been from room and pillar stoping in ore. Some of these developments are setting up drill and extraction drifts for longhole mining. The mine has employed non-explosive extraction using a Kubota-mounted scaling machine in the softer portions of the orebody with considerable success. The productivity and advance rates increased substantially in the softer ground with the implementation of this technique. A portion of the mill feed was extracted from surface mining from the upper portion of 3300 Zone, which daylights. This zone has not been exhausted, and surface mining will resume in the spring. Part of the exploration program going forward will be to identify other near-surface targets on the property that can be extracted with surface equipment.

The mill was re-started on 4 July 2011 and has run the gravity and flotation circuits fairly continuously at an average availability of 71% since that date. Several upgrades were done to the mill, including crushing the ore finer prior to grinding, changing the gravity feed piping from the cyclone overflow to the cyclone feed, and reducing the moisture content of the copper concentrate. Historically, the concentrate was flown at an average of 23% moisture content. This was reduced to 7% by removing two of the three discs in disc filter and slowing the speed of the concentrate dryer auger. This process is too slow, however, and a pressure filter was purchased to replace the disc filter. The mill capacity has been tested successfully to 150 tons per day ("tpd"). Ore recovery was lower than expected, at approximately 70%. This is largely due to an exceptionally large portion of oxide copper in the mill feed during the period, which does not respond to flotation. Recovery will improve with experience gained, but will substantially improve with the implementation of the third gold recovery process, leaching.

Work has been ongoing on the CIL plant. All major components are at site and being installed. Delays have pushed the expected completion date to March 2012.

The dry stack was expanded and lined. This work was hindered by exceptionally wet summer weather, but was completed in early October. The dry stack was originally designed as an unlined facility with a seepage water collection system. This conversion required a significant expansion to the collection pond, as it was originally designed as a seepage pond.

The assay lab was upgraded and staffed for operations. The lab processes underground muckpile and chip samples, surface muck pile and mill feed samples, and process samples from the mill. Diamond drill samples are still flown off-site for independent analysis such that they can be used for resource modelling. The assay lab has successfully reduced the turn-around-time of its samples, which is now down to 24 hours, a great benefit to operations as all muckpiles are sampled before being compiled and fed to the mill as low, medium, or high grade feed.

In July the Company entered into an agreement with Johnson Matthey Inc. of Salt Lake City, Utah to sell the doré produced on site. In August the Company entered into a three-year agreement with Glencore International Limited ("Glencore") for the sale of its copper concentrate. The product is loaded into 1 tonne palletized bags which are flown from site aboard Hercules L382G aircraft, stored in 40 ft sea containers, and shipped in lots of 24 bags overseas for refining. The Company has received US$2.8 M of provisional payments from Glencore to the end of October 2011.

SELECTED ANNUAL INFORMATION

Unless otherwise noted, all currency amounts are stated in Canadian dollars. The following table summarizes selected financial data for FAU for each of the three most recently completed financial years. The information set forth below was extracted from and should be read in conjunction with the audited consolidated financial statements, prepared in accordance with Canadian generally accepted accounting principles ("GAAP"), and related notes.

Years Ended 31 October

	2011	2010	2009
Total revenues	$ 81,608	$ 90,287	$ 13,209
General and administrative expenses	4,069,813	2,627,161	1,249,671
Mineral property cash costs incurred	14,128,090	4,826,706	443,832
Loss before other items in total	(4,069,813)	(2,627,161)	(1,249,671)
Loss per share – Basic & fully diluted	(0.04)	(0.06)	(0.07)
Net loss from continuing operations in total	(3,723,801)	(2,448,799)	(808,229)
Comprehensive loss per share – Basic & fully diluted	(0.04)	(0.06)	(0.07)
Total assets	36,475,170	22,009,859	12,291,127
Total long-term liabilities	2,127,854	3,833,407	4,358,448
Cash dividends declared	Nil	Nil	Nil

SELECTED QUARTERLY FINANCIAL INFORMATION

The following selected financial information is derived from the unaudited consolidated financial statements of the Company prepared in accordance with Canadian generally accepted accounting principles ("GAAP").

For the Quarters Ended (un-audited)

	31 Oct. 2011	31 Jul. 2011	30 Apr. 2011	31 Jan. 2011	31 Oct. 2010	31 Jul. 2010	30 Apr. 2010	31 Jan. 2010
Total revenues	$ 9,946	$ 22,490	$ 30,755	$ 18,417	$ 102,400	$ 254,564	$ 2,262	$ 22,639
Net loss	(841,181)	(849,943)	(755,765)	(1,276,912)	(585,180)	(295,338)	(724,361)	(843,920)
Net loss per share	(0.01)	(0.01)	(0.01)	(0.02)	(0.01)	(0.01)	(0.02)	(0.03)
Total assets	36,475,170	38,672,520	37,875,005	29,941,993	22,009,859	23,014,144	13,834,464	13,925,936

RESULTS OF OPERATIONS

The year ended 31 October 2011 resulted in a net loss of $3,723,801 which compares with a net loss of $2,448,799 for the same period in 2010. The Company is in the process of acquiring, exploring and developing mineral properties in Alaska. The Nixon Fork Mine is an advanced stage development and is expected to enter commercial production in the second quarter of 2012. The Company will attempt to bring the properties to production. The increase in loss of $1,275,002 was mainly attributable to:

1. An increase of $401,248 in consulting fees from $579,889 in 2010 to $981,137 in 2011, due to increased activity in the Company's private placement financings and other new programs;

2. An increase of $985,779 in stock-based compensation, from $370,873 in 2010 to $1,356,652 in 2011, due to the issuance of new stock options to employees and consultants; and

LIQUIDITY AND CAPITAL RESOURCES

As at 31 October 2011, the Company's working capital, defined as current assets less current liabilities, was $1,968,174 compared with working capital of $8,051,140 at 31 October 2010. During the year, the Company purchased mining equipment amounting to $6,653,713.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Significant estimates used in the preparation of these consolidated financial statements include, amongst other things, depreciation, determination of net recoverable value of assets, determination of fair value on taxes, and share compensation. These estimates are reviewed periodically (at least annually), and, as adjustments become necessary, they are reported in earnings in the period in which they become known.

A detailed summary of all of the Company's significant accounting policies is included in Note 1 of the consolidated financial statements for the year ended 31 October 2011.

FINANCIAL INSTRUMENTS - RECOGNITION AND MEASUREMENT

Section 3855 requires that all financial assets and financial liabilities be measured at fair value on initial recognition except for certain related party transaction. Financial instruments classified as held-for-trading are measured at fair value and unrealized gains and losses are included in the net income in the period in which they arise. The Company has historically measured these instruments at the lower of cost or market value and any unrealized gains or losses have been included in net income.

COMPREHENSIVE INCOME

Section 1530 introduces other comprehensive income (loss). Comprehensive income (loss) includes both net earnings (losses) and other comprehensive income. Other comprehensive income (loss) includes holding gains and losses on available-for-sale investments, gains and losses on certain derivative instruments and any foreign currency gains and losses relating to self-sustaining foreign operations where applicable, all of which are not included in the calculation of net earnings (loss) until realized. The only impact on the Company of adopting these new standards was the recognition of unrealized gains and losses on investments, which has been included as part of shareholders' equity under "Other Comprehensive Loss". As required by the prospective implementation of these new standards, the comparative consolidated financial statements have not been restated.

FINANCIAL INSTRUMENTS AND OTHER INSTRUMENTS

The Company's consolidated financial instruments consist of cash and cash equivalents, amounts receivable, accounts payable and due to related parties. These fair value estimates are subjective in nature and involve uncertainties and matters of significant judgment, and, therefore, cannot be determined with precision. Changes in assumptions could significantly affect these estimates. The Company does not hold or issue financial instruments for trading purposes, nor does it utilize derivative instruments in the management of foreign exchange, commodity price or interest rate market risks.

Unless otherwise noted, it is management's opinion that the Company is not exposed to significant interest, currency or credit risk arising from these financial instruments.

a) **Credit Risk**

Credit risk is the risk of an unexpected loss if a customer or counterparty to a financial instrument fails to meet its contractual obligations and arises primarily from the Company's cash and cash equivalents and amounts receivable. The Company manages its credit risk relating to cash and cash equivalents by dealing only with highly-rated Canadian financial institutions. As at 31 October 2011, amounts receivable was comprised of Accounts receivable from metal sales contracts of $309,262 and Harmonized Sales Tax receivable of $119,714. As a result, credit risk is considered insignificant.

b) **Liquidity Risk**

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk by continuously monitoring actual and projected cash flows and matching the maturity profile of financial assets and liabilities. As the Company's financial instruments are substantially comprised of cash and cash equivalents, liquidity risk is considered insignificant.

c) **Currency Risk**

The Company is exposed to currency risk on its acquisition and exploration expenditures on its US properties since it has to convert Canadian dollars raised through equity financing in Canada to US dollars. The Company's expenditures will be negatively impacted if the US dollar increases versus the Canadian dollar.

The majority of the Company's cash flows and financial assets and liabilities are denominated in Canadian dollars, which is the Company's functional and reporting currency. Foreign currency risk is limited to the portion of the Company's business transactions denominated in currencies other than the Canadian dollar. The Company has cash and cash equivalents held in US dollars.

The Company's objective in managing its foreign currency risk is to minimize its net exposures to foreign currency cash flows by holding most of its cash and cash equivalents in Canadian dollars. The Company monitors and forecasts the values of net foreign currency cash flow and balance sheet exposures and from time to time could authorize the use of derivative financial instruments such as forward foreign exchange contracts to economically hedge a portion of foreign currency fluctuations.

The following tables provide an indication of the Company's significant foreign currency exposures during the year ended 31 October 2011:

	31 October 2011	**31 October 2010**
Cash and cash equivalents	US$ 1,436,199	US$ 3,026,978

The Company receives interest revenues denominated in US dollars on the financial assets denominated in US dollars. However, the Company does not currently view this exposure as a significant foreign exchange risk as the amount of revenue is not significant.

The Company has not, to the date of these consolidated financial statements, entered into derivative instruments to offset the impact of foreign currency fluctuations.

d) **Interest Risk**

The Company's interest rate risk is primarily related to the Company's cash and cash equivalents for which amounts were invested at interest rates in effect at the time of investment. Changes in market interest rates affect the fair market value of the cash and cash equivalents. However, as these investments come to maturity within a short period of time, the impact would likely not be significant.

e) **Commodity Price Risk**

The Company is in the advanced development stage at its Nixon Fork Mine and is subject to fluctuations in the price of gold. The results of our operations will depend in large part upon the market price of gold. Gold prices fluctuate widely and are affected by numerous factors beyond our control. The level of interest rates, the rate of inflation, the world supply of gold and the stability of exchange rates, among other factors, can all cause significant fluctuations in commodity prices. Such external economic factors are in turn influenced by changes in international investment patterns, monetary systems and political developments. The price of gold has fluctuated widely in recent years, and future price declines could cause a mineral project to become uneconomic, thereby having a material adverse effect on our business and financial condition. We have not entered into derivative contracts to protect the selling price for gold. We may in the future more actively manage our exposure through derivative contracts or other commodity price risk management programs, although we have no intention of doing so in the near-term.

INTERNATIONAL FINANCIAL REPORTING STANDARDS

In February 2008, the Canadian Accounting Standards Board adopted a strategic plan, which includes the decision to move financial reporting for Canadian publicly accountable enterprises to a single set of globally accepted standards, IFRS, as issued by the International Accounting Standards Board. The effective implementation date of the conversion from Canadian generally accepted accounting principles ("Canadian GAAP") to IFRS is 1 November 2011, with an effective transition date of 1 November 2010 for financial statements prepared on a comparative basis. The Company is engaged in an assessment and conversion process which includes consultation with external consulting firms. The Company's approach to the conversion to IFRS includes three phases.

- Phase one, an initial general diagnostic of its accounting policies and Canadian GAAP relevant to its financial reporting requirements to determine the key differences and options with respect to acceptable accounting standards under IFRS. This phase was completed in late 2009.
- Phase two, an in-depth analysis of the IFRS impact in those areas identified under phase one. During 2010, the Company substantially completed assessing and quantifying IFRS transition adjustments. The Company's auditors are in the process of completing their review of these adjustments. A summary of this analysis is provided in Table 2 below.
- Phase three, the implementation of the conversion process, including the completion of the opening balance sheet as at 1 November 2010 together with related discussion and notes, has commenced. Preliminary drafts of financial statement disclosures have been prepared in order to ensure systems are in place to collect the necessary data; to date no significant changes to current procedures have been identified.

The Company's IT accounting and financial reporting systems are not expected to be significantly impacted.

The above comments, including the summary in Table 2, should not be considered as a complete and final list of the changes that will result from the transition to IFRS as the Company intends to maintain a current and proactive approach based on changes in circumstances and no final determinations have been made. IFRS standards, and the interpretation thereof, are constantly evolving. As a result, the Company expects there may be new or revised IFRS accounting standards prior to the issuance of its first IFRS financial statements. The Company is continuing to monitor IFRS accounting developments and updates and will assess their impact in the course of its transition process to IFRS.

Table 2. Summary of financial statements impact on transition from Canadian GAAP to IFRS.

Key Area	Canadian GAAP (as currently applied)	IFRS	Analysis and preliminary conclusions
Property, plant and equipment ("PP&E")	PP&E is recorded at historical cost.	PP&E can be recorded using the cost (on transition to IFRS, the then fair value can be deemed to be the cost) or revaluation models.	PP&E will continue to be recorded at their historical costs due to the complexity and resources required to determine fair values on an annual basis.
	Depreciation is based on their useful lives after due estimation of their residual values.	Depreciation must be based on the useful lives of each significant component within PP&E.	Based on an analysis of PP&E and its significant components, the Company has determined that no change to their useful lives is warranted and, therefore, depreciation expense will continue to be calculated using the same rates under IFRS.
Mineral properties	Exploration, evaluation and development costs are capitalized when incurred. They are amortized on the basis of production or written off when the prospect is no longer deemed prospective or is abandoned.	IFRS 6 provides the Company with the option of expensing the exploration and evaluation costs as incurred, or deferring these costs until technical feasibility and commercial viability has been determined, at which point they are transferred to the development and production phase and allocated to specific projects.	The existing accounting policy will be maintained.
Asset retirement obligations ("ARO")	Canadian GAAP limits the definition of ARO to legal obligations.	IFRS defines ARO as legal or constructive obligations.	The broadening of this definition will not cause a significant change in the Company's current estimates.
	ARO is calculated using a current credit-adjusted, risk-free rate for upward adjustments, and the original credit-adjusted, risk-free rate for downward revisions. The original liability is not adjusted for changes in current discount rates.	ARO is calculated using a current pre-tax discount rate (which reflects current market assessment of the time value of money and the risk specific to the liability) and is revised every reporting period to reflect changes in assumptions or discount rates.	The Company expects to record a transition adjustment. In accordance with IFRIC 1, the effect of any changes to an existing ARO as a result of changes in market interest rates is added to or deducted from the cost of the related asset.

		IFRS requires that, on transition, the net book value of the asset related to ARO be adjusted on the basis of the ARO balance existing at inception.	The Company will rely on the IFRS 1 exemption which allows a company to use current estimates of future reclamation costs and current amortization rates to determine the net book value on transition to IFRS.
Impairment of long lived assets	Impairment tests of its long-term assets are considered annually based on indications of impairment.	Impairment tests of “cash generating units” are considered annually in the presence of indications of impairment.	Assets will continue to be grouped under the Company’s various mining operations. Currently, there are no indications of impairment and, therefore, no impairment test has been performed.
Stock-based compensation	The Company recognizes stock-based compensation on straight line method and updates the value of the options for forfeitures as they occur.	Under IFRS, stock-based compensation is amortized under the graded method only. In addition, the Company is required to update its value of options for each reporting period for expected forfeitures.	The Company will record an IFRS income statement and balance sheet adjustment at 1 November 2010. The Company will rely on the IFRS 1 exemption and apply IFRS for stock options granted on or after 2 November 2002 and did not vest before the transition date.
	The Company included stock-based compensation in contributed surplus and previously recognized compensation cost is not reversed if a vested employee stock option expires unexercised.	IFRS does not preclude the Company from recognizing a transfer of compensation costs within equity (i.e. from contributed surplus to deficit) after vesting.	The Company does not intend to transfer stock-based compensation expense included in contributed surplus to another component of equity.

The above assessment and conclusions are based on the analysis completed by the Company as of the date of this report and may be subject to change.

The quantification of the amounts that resulted from the differences between Canadian GAAP and IFRS relating to the key standards are based on management’s estimates and decisions, and are subject to further internal review and audit by the Company’s external auditors.

RELATED PARTY TRANSACTIONS

During the year ended 31 October 2011, the following related party transactions took place:

During the year ended 31 October 2011, the Company paid or accrued $371,462 to Pacific North West Capital Corp. (“PFN”), a company related to the Company by way of directors in common, for general operating expenses (31 October 2010 – $293,888).

During the year ended 31 October 2011, the Company paid or accrued $11,086 to El Nino Ventures Inc., a company related to the Company by way of management and directors in common for consulting fees.

During the year ended 31 October 2011, the Company paid or accrued consulting fees of $135,413 (31

October 2010 - $192,169) to Richard Goodwin, former Vice President of Mining of the Company and the current President of the Company.

During the year ended 31 October 2011, the Company paid or accrued consulting fees of $103,040 (31 October 2010 - $58,775) to Onestar Consulting Inc., a company owned by the former Vice President of Business Development of the Company.

During the year ended 31 October 2011, the Company paid or accrued consulting fees of $18,000 to Stacey Bligh, Corporate Secretary of the Company.

During the year ended 31 October 2011, the Company paid or accrued consulting fees of $15,500 to Robert Guanzon, former Chief Financial Officer of the Company.During the year ended 31 October 2011, the Company paid or accrued consulting fees of $338,396 to the directors and a former director of the Company.

During the previous year, the Company reimbursed $773,766 for exploration expenditures to PFN, a company related by way of directors in common, on signing of the letter agreement for the acquisition of the Nixon Fork Mine from PFN. As part of the acquisition process, the Company also exercised its option to purchase a 100% interest in Mystery Creek Resources, Inc. (“MCR”). MCR’s assets include the Nixon Fork Gold Mine, located 56 kilometers northeast of McGrath, Alaska.

OUTSTANDING SHARE DATA

The Company is authorized to issue unlimited common shares without par value. As at 31 October 2011, there were 99,181,502 outstanding common shares compared to 59,821,490 outstanding shares at 31 October 2010.

Private Placements

On 18 November 2010, the Company completed the first tranche of its non-brokered private placement and has issued 12,883,083 units at a price of $0.45 per unit for gross proceeds of $5,797,387. Each unit consists of one common share and one-half of one non-transferable share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.65 per share for a period of 18 months, subject to an accelerated expiry provision, such that, in the event that the Company's shares close at or above $0.90 per share for 10 consecutive trading days on the TSX Venture Exchange (“TSXV”), the expiry date may be accelerated to 30 days.

On 7 December 2010, the Company completed the second tranche of its non-brokered private placement and has issued 2,783,411 units at a price of $0.45 per unit for gross proceeds of $1,252,535 and an aggregate amount of total issuance of 15,666,494 units for gross proceeds of $7,049,922. Each unit consists of one common share and one-half of one non-transferable share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share at a price of $0.65 per share for a period of 18 months, subject to an accelerated expiry provision, such that, in the event that the Company's shares close at or above $0.90 per share for 10 consecutive trading days on the TSXV, the expiry date may be accelerated to 30 days.

On 30 December 2010, the Company completed the third and final tranche of its non-brokered private placement and issued 3,128,514 units at a price of $0.45 per unit for gross proceeds of $1,407,831 and an aggregate amount of total issuance of 18,795,008 units for gross proceeds of $8,457,753. Each unit consists of one common share and one-half of one non-transferable share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.65 per share for period of 18 months.

On 18 March 2011, the Company completed the first tranche of its non-brokered private placement and issued 4,425,000 units at a price of $0.50 per unit for gross proceeds of $2,212,500. Each unit consists of one common share and one-half of one non-transferable share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.70 per share for period of 18 months, subject to an accelerated expiry provision, such that, in the event that the Company's shares close at or above $0.90 per share for 10 consecutive trading days on the TSXV, the expiry date may be accelerated to 30 days.

On 8 April 2011, the Company completed the second and final tranche of its non-brokered private placement and issued 10,390,326 units at a price of $0.50 per unit for gross proceeds of $5,195,163. Each unit consists of one common share and one-half of one non-transferable share purchase warrant. Each whole share purchase warrant entitles the holder to purchase one common share of the Company at a price of $0.70 per share for period of 18 months, subject to an accelerated expiry provision, such that, in the event that the Company's shares close at or above $0.90 per share for 10 consecutive trading days on the TSXV, the expiry date may be accelerated to 30 days.

Exercise of Warrants and Options

During the previous year, 39,888 agent compensation warrants were exercised at an exercise price of $0.30 per share.

During the previous year, 1,586,455 warrants were exercised at an exercise price of $0.40 per share.

During the year, 113,266 agent compensation warrants were exercised at an exercise price of $0.30 per share.

During the year, 5,477,037 warrants were exercised at an exercise price of $0.40 per share.

During the year, 159,375 stock options were exercised at an exercise of $0.40 per share.

Stock Options

The Company has established a share purchase option plan, as amended on 24 March 2010, whereby the Board may from time to time grant up to 9,918,510 stock options to directors, officers, employees or consultants. Options granted must be exercised no later than ten years from date of grant or such lesser period as determined by the Company's board of directors. The exercise price of an option will be set by the Board of Directors at the time such option is granted and cannot be less than the closing market price on the TSXV on the last trading day preceding the grant date, less any allowable discounts that may be permitted under applicable exchange policies.

On 14 February 2011, a total of 1,350,000 options were granted at an exercise price of $0.55 with expiry on 14 February 2016.

On 5 May 2011, a total of 250,000 options were granted at an exercise price of $0.55 with expiry on 5 May 2016.

On 22 June 2011, a total of 3,230,000 options were granted at an exercise price of $0.43 with expiry on 22 June 2016.

DISCLOSURE CONTROLS AND PROCEDURES

Disclosure controls and procedures are designed to provide reasonable assurance that all relevant information is gathered and reported on a timely basis to senior management, so that appropriate decisions can be made regarding public disclosure. As at the end of the period covered by this management's discussion and analysis, management has evaluated the effectiveness of the Company's disclosure controls and procedures as required by Canadian securities laws.

Based on the evaluation of the disclosure controls performed to date, the Company has determined that the internal controls over financial reporting are effective.

INTERNAL CONTROLS AND PROCEDURES

Internal controls and procedures are designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with Canadian GAAP. As at the end of the year covered by this management's discussion and analysis, management had designed and implemented internal controls and procedures as required by Canadian securities laws.

The Company has evaluated the design of its internal controls and procedures over financial reporting for the year ended 31 October 2011. All internal control systems, no matter how well designed, have inherent limitations. Therefore, even those systems determined to be effective can provide only reasonable assurance with respect to financial statement preparation and presentation. Management continues to review and refine its internal controls and procedures.

RISKS AND UNCERTAINTIES

The mineral industry is intensely competitive in all its phases. The Company competes with many other companies who have greater financial resources and experience. The market price of precious metals and other minerals is volatile and cannot be controlled. Exploration for minerals is a speculative venture. There is no certainty that the money spent on exploration and development will result in the discovery of an economic ore body.

The Company's activities outside of Canada make it subject to foreign currency fluctuations and this may materially affect its financial position and results.

The Company has limited financial resources and no assurances that sufficient funding, including adequate financing, will be available to conduct further exploration and development of its projects or to fulfill its obligations under the terms of any option. If there are delays in bringing the Nixon Fork Mine into commercial production, additional funds will be required for its development. Failure to obtain additional financing could result in the delay or indefinite postponement of further exploration and development or the possible loss of the Company's properties.

OUTLOOK

During the year ended 31 October 2011 Fire River Gold Corp. raised approximately $17.3 million. With the Company now trading on the TSX Venture Exchange, the Company is well positioned to advance its primary project, the Nixon Fork Gold Mine in Alaska. Global markets are expected to continue improving during 2012 with precious/base metals anticipated to increase in value, positioning the Company to take advantage of its potential to be a near-term gold producer which should attract increased investor interest for the Company. The Company will employ the joint venture model for its other Alaskan properties.

SUBSEQUENT EVENTS

The following events occurred from the year ended 31 October 2011 to the date the consolidated financial statements were available to be issued on 21 February 2012.

On 4 November 2011 the company signed a term sheet with Sprott Resource Lending Partnership (SRL) for a $7.5 M credit facility. An advance payment of $1 M was provided on signing the term sheet and the subsequent $6.5 M was received on 9 December 2011. The loan was secured with substantially all of the company's assets. The funds are repayable by 15 November 2012 and accrue interest at a rate of 12%. SRL also received a structuring fee of $50,000 and a bonus fee of $750,000, 10% of the loan amount, paid in common shares. The bonus fee is subject to a 4 month hold period. The loan can be repaid at any time subject to a minimum payment of six months interest. Furthermore, six months following the closing date, the Company will be required to make monthly principal repayments of $1,250,000.

On 14 November 2011, the Company gave notice to various individuals that any unexercised stock options, vested or not will be cancelled on 28 February 2012. As at 31 October 2011, these individuals hold 766,250 stock options with a weighted average exercise price of $0.48.

On 15 December 2011, the Company granted 350,000 stock options at an exercise price of $0.25, vesting on a quarterly basis and expiry date of 5 years.

On 13 February 2012, the Company received a notice and is subject to certain legal actions which the Company considers to be routine to its business activities. As at 31 October 2011, management of the Company believed, after consultation with legal counsel, that the outcome of such legal matters is not likely to have a material adverse effect on the Company's financial position, liquidity or results of operations .

Current Company Activity

CIL circuit construction completion is projected for March 2012. Commissioning will involve the assistance of three separate groups of consultants: one for the leaching plant, one for the operation of the Larox filter, and one for the carbon stripping circuit. Revenue from leaching is projected for March 2012. The contamination issues in the gravity circuit doré are not anticipated to be present in the doré produced from leaching and electrowinning.

Diamond drilling is ongoing at the mine. A total of 1,768 m has been drilled in November and December 2011, primarily targeting the 3550 zone.

Much of the production mining to-date has prepared the mine for longhole stoping, and the mine currently has its first significant open longhole stope, located between 208 and 220 Levels. As of 26 January 2012, it is estimated to contain 1,500 tonnes grading 28 g/t with a similar quantity and grade in the drilling inventory.

Tailings disposal is transitioning from the pond to the dry stack. The Company will then begin emptying the tailings pond to recover the residual gold through the CIL circuit. While this activity is scheduled to commence in the spring, the Company plans to accelerate this by transporting the tailings from the pond to the mill using a vacuum truck immediately upon the commissioning of the CIL circuit. The circuit was designed with a capacity of 250 tpd, higher than the flotation mill for the purpose of incorporating additional supplemental feed from the existing tailings.

On 15 December 2011 the Company appointed Mr. Brent Timmons as Vice President of Finance and Chief Financial Officer, replacing Mr. Robert Guanzon. Mr. Timmons, a Certified Public Accountant, is a financial executive with 16 years of experience. He was the past Vice President and Controller of Brigus Gold Corp. (formerly, Apollo Gold Corporation). He has extensive experience in SEC and TSX regulatory compliance under Canadian GAAP, US GAAP, and IFRS.

On 21 December 2011 a new resource estimate was announced:

Table 1: 2011 Resource Estimate for the Nixon Fork Mine (at 10 g/t Au, Giroux)

	Indicated					Inferred				
		Grade		Contained Au			Grade		Contained Au	
Zone	Tonnes	g/t	opt	g	oz	Tonnes	g/t	opt	g	oz
Hard Rock:										
3000	10,570	31.8	0.93	336,443	10,817	20,350	31.7	0.93	645,909	20,766
3300	81,200	25.6	0.75	2,078,720	66,840	19,800	30.9	0.90	612,018	19,677
3550	1,200	11.7	0.34	14,052	452	1,550	11.6	0.34	17,965	578
Whalen	630	11.2	0.33	7,056	227	10	10.2	0.30	102	3
J5	7,500	16.7	0.49	125,025	4,020	660	13.6	0.40	8,963	288
3100	560	11.3	0.33	6,350	204	410	12.4	0.36	5,076	163
Mystery	27,400	23.7	0.69	649,380	20,878	100	18.9	0.55	1,885	61
Southern Cross						11,100	19.6	0.57	218,004	7,009
Subtotal	***129,060***	***24.9***	***0.73***	***3,217,027***	***103,438***	***53,980***	***28.0***	***0.82***	***1,509,921***	***48,545***
Existing Tailings*	92,000	7.9	0.23	724,040	23,287	48,000	7.4	0.21	353,760	11,377
Total	**221,060**	**17.8**	**0.52**	**3,941,067**	**126,725**	**101,980**	**18.3**	**0.53**	**1,863,681**	**59,922**

An adjustment had to be made to the 2010 Resource Estimate (Giroux), as it was discovered that the 3077 zone had been previously extracted. This error inflated the 2010 resource estimate by 9,330 tonnes of indicated resources grading 42.3 g/t plus 10,920 tonnes of inferred resources grading 34.7 g/t.

The updated resource estimate demonstrated the mine's ability to accomplish its operating plan: to replenish what is mined on an annual basis. The results of the Resource Estimate will be compiled in an NI 43-101 Technical Report and filed on SEDAR.

The mine produced 3,562 tonnes grading 14.7 g/t in November and 2,879 tonnes grading 11.7 g/t in December 2011. Mine productivity has been accelerated over the year by reducing heading sizes in softer rock. This has compelled operations to rationalize the equipment fleet. A new 2 yd^3 remote-capable scooptram has been purchased and arrived at site February 2012. One of the two 4 yd^3 scooptrams will be sold and the other retained for development and production in the larger stopes. Two haulage trucks will also be sold, and the existing fleet will have its engines replaced with new, more powerful units.

As of 28 February 2012, the Company has sold 144 x 1 tonne bags of copper concentrate. Average shipment grades have varied from 650 to 1,205 g/t of gold plus 398 to 560 g/t of silver and 2 to 19% copper. The low copper content is a direct attribute of mining primarily copper oxide ores. Because of the high precious metal content, the concentrate is still saleable with the lower copper content and the copper represents a very small percentage of the product value.

As of 28 February 2012, $1.1 M has been realised from the sale of doré. Revenue from doré has been slow due to unexpectedly high levels of bismuth and arsenic. The Company has been investigating different ways of purifying the doré to meet the terms of our refining contract, such as acid wash and high intensity leaching, either on-site or offsite. There is an agreement in place to sell three contaminated doré bars with a combined total of approximately 500 ounces of gold to Glencore. Moving forward, gold from leaching is not anticipated to have the same contamination issues.

Two pieces of equipment leased for the dry stack construction, a Cat 315L excavator and a Cat 140H grader, were purchased in December 2011 for $147,600 and $128,000 respectively. Prior rentals were applied to both purchases.

One of several refinements the mill is testing is using a special flocculent to float copper oxide ore. This will have the benefit of increased copper recovery to the copper concentrate, but more significantly will reduce the copper fed to the CIL circuit, decreasing cyanide consumption.

The CIL plant construction has been delayed, largely due to the crew being re-assigned to winterizing activities for the mill and site infrastructure. Completion is now anticipated for March 2012. All supplies for the leaching circuit, including activated carbon and cyanide, have been flown to site.

NEW PROJECT ACQUISITION PROGRAM

The Company continues to review potential new acquisitions that will enhance its current portfolio of advanced stage projects. However, management currently feels it has acquired a diverse project portfolio and is focused on continuing their development during 2012.