MANAGEMENT DISCUSSION AND ANALYSIS

FOR

FIRE RIVER GOLD CORP.

FOR THE QUARTER ENDED 31 JULY 2013 - UNAUDITED

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 quarter ended 31 July 2013 and should be read in conjunction with the unaudited, second quarter consolidated financial statements and the related notes. The date of this Management Discussion and Analysis is 18 September 2013.

Additional information on the Company is available on SEDAR at www.sedar.com.

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.

BUSINESS OF FIRE RIVER GOLD CORP.

Fire River Gold Corp. is the 100% owner of the Nixon Fork Gold Mine, which is a fully permitted and bonded gold mine located 240 miles northwest of Anchorage, Alaska, United States. The facilities at the Nixon Fork Gold Mine include a 250 tonne per day carbon-in-leach circuit, a sulphide concentration circuit and a gravity recovery circuit. 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 long landing strip. The mine is currently on care and maintenance.

GOING CONCERN

The Company's Financial Statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities in the normal course of operations as they come due. The Company had cash and cash equivalents of $280,108 as at 31 July 2013 (31 Oct 2012: $988,989), but management cannot provide assurance that the Company will ultimately achieve profitable operations or become cash flow positive or raise additional debt and/or equity capital. The Company's solvency, ability to meet its liabilities as they become due and to continue its operations is essentially solely dependent on funding provided by Waterton Global Value, L. P. ("Waterton"). As of 28 June 2013, Waterton has informed the Company that it will no longer fund ongoing operations and the Company has commenced moving the Nixon Fork Gold Mine to a care and maintenance status. The Company is taking this action until a revised operating plan has been developed and market conditions improve. In the interim, the Board will run a strategic process and consider and evaluate all options with respect to the Nixon Fork property. There is no guarantee that this process will result in a transaction. As the Company is in default of its obligations under the Waterton Global Value, L.P credit agreement, the Company may be forced to liquidate or surrender all or substantially all of its assets. These consolidated financial statements do not include any adjustments to costs for this change in operational status. Management believes that the carrying value of the assets as currently stated is reasonable for the care and maintenance status and it is management's intent to satisfy all obligations of the Company other than the Loan Agreement with Waterton. The consequences of that default are discussed in next section – Outlook.

OUTLOOK

The Company's principal asset, the Nixon Fork Gold Mine, has been placed on care and maintenance. This means that the company has no source of operational revenue to fund ongoing operations. The Company is currently in default of its obligations under the Loan Agreement with Waterton Global Value, L.P. Waterton has the right under the Loan Agreement to force the surrender of all or substantially all of its assets, which are primarily the shares of Mystery Creek Resources Inc. This wholly owned subsidiary of the Company holds the Nixon Fork Gold Mine, which constitutes all or substantially all of the assets of the Company. The Company is actively seeking financial options to repay the principal amounts due under the Loan Agreement but as of the date of these statements, no viable options have been identified. As it is in the best interest of the Company and Waterton, Waterton has been supportive of these efforts and delayed exercising its right to seize the assets of the Company and has provided the necessary funds for placing the mine on care and maintenance. However, there is no guarantee that Waterton will continue to forbear on its rights under the Loan Agreement to seize the assets or continue to provide any further funds.

The corporate office of the Company has been reduced to a minimal operational status with only the CEO and CFO remaining and the only substantial remaining cost being the office lease. For the Company to continue, the annual audit and year-end financial statements will need to be completed by 28 February 2014. Costs to maintain the Company through the end of the office lease (31January 2015) are estimated at $200,000.

If the Company is successful in retaining the Nixon Fork Gold Mine (there is no assurance of this), there are certain ongoing costs to maintaining the mine and certain costs to be paid to complete the transition to the care and maintenance status. A caretaker has been engaged to provide a full time presence at the site who will conduct the monitoring activities required by the regulatory agencies. Costs to complete the transition to complete care and maintenance are estimated to be US$1.3 million and on-going monthly maintenance costs are estimated at US$30,000. There may be additional environmental/closure costs due to requirements of the regulatory agencies that have not been identified at this time.

Nothing in the foregoing discussion guarantees a successful result in the search for financial options and the Company is at substantial risk to continue as a going concern.

PROPERTIES

NIXON FORK GOLD MINE OPERATIONS REVIEW

The Nixon Fork Mine, which the Company has been developing since June 2011, has been placed on care and maintenance. Mining data for the quarter was as follows:

Mine Production for the Quarter ended 31 July 2013

Month	Tonnes Mined	Tonnes Milled	Gold Sold (ozs)
May	3,529	6,585	1,165
Jun	3,673	4,645	780
Jul	0	2,279	1,534
Total	7,202	13,509	3,479

Mining ceased on 28 June and the mill processed the remaining stockpiles of ore supplemented with tailings which processing was completed on or about 25 July. The final concentrate and dore shipments took place on 31 July. Work on site closure commenced on 2 July and is ongoing. A closure plan has been submitted to the BLM and State of Alaska with approval expected by 30 September 2013. All site personnel were offsite by 9 September 2013. A third party contractor, Golden Royalty Services, has been engaged to provide water and other monitoring activities as required by the regulatory agencies.

The mine plan of operations was completed and submitted to the regulatory agencies but the review of the plan of operations by these agencies has been placed on hold due to the care and maintenance status of the site.

The resource estimate for the Nixon Fork Mine remains the 2011 estimate as follows:

2011 Resource Estimate for the Nixon Fork Mine (at 10 g/t Au, Giroux)
Geologic Report NF-12-1 dated 3 February 2012, Technical Report of the Nixon Fork Mine Project, Medfra Quadrangle, Alaska; prepared by Curtis J. Freeman, BA, MS PGeo, Avalon Development Corp.

	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**

From this resource the mining for the quarter ended 31 July 2013 was: 2,994 tonnes (33,973 – 1st and 2nd quarters 2013) from the 3300, 0 tonnes (231 – 1st and 2nd quarters 2013) from the 3350, 0 tonnes (135 – 1st and 2nd quarters 2013) from the 3100, 0 tonnes (194 – 1st and 2nd quarters 2013) from the 3000 and 4,208 tonnes from the Mystery (21,497 – 1st and 2nd quarters 2013). From this resource 32,046 tonnes from the 3300, 231 tonnes from the 3350, 135 tonnes from the 3100 and 1,552 tonnes from the Mystery were mined in the year ended 31 October 2012.

OTHER PROPERTIES

The Draken property is located in southeast-central Alaska, approximately 288km southeast of Fairbanks, Alaska, and approximately 61km west of the Canadian border.

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.

As the Company focus is on the Nixon Fork Mine, there is no intent to dedicate funds and effort to these properties.

SELECTED QUARTERLY FINANCIAL INFORMATION

The following selected financial information is derived from the unaudited consolidated financial statements of the company prepared in accordance with IFRS.

	3 Mths ended 31 July 2013	3 Mths ended 31 July 2012	9 Mths ended 31 July 2013	9 Mths ended 31 July 2012
General and administrative expenses	474,257	729,285	1,005,747	2,456,472
Mineral property cash costs incurred	4,280,079	6,957,880	14,197,172	19,327,448
Loss before other items in total	4,754,336	7,687,165	15,202,919	21,783,920
Loss per share – Basic & fully diluted	.02	.08	.06	.21
Net comprehensive loss	5,654,737	7,731,317	17,742,116	21,977,127
Comprehensive loss per share – Basic & fully diluted	.02	.08	.06	.21
Total assets	9,595,340	11,422,023	9,595,340	11,422,023
Total long term liabilities	8,529,044	10,847,948	8,529,044	10,847,948

Major cost activity areas include the following:

	3 Mths ended 31 July 2013	3 Mths ended 31 July 2012	9 Mths ended 31 July 2013	9 Mths ended 31 July 2012
Administrative costs	$0.7 million	$1.7 million	$3.8 million	$3.8 million
Camp and maintenance	$3.6 million	$3.6 million	$11.9 million	$13.8 million
Drilling and mining	$1.5 million	$1.3 million	$5.2 million	$6.4 million
Geology and engineering	$0.2 million	$0.2 million	$0.7 million	$0.8 million
Assaying	$0.2 million	$0.2 million	$1.0 million	$0.7 million
Crushing and milling	$1.8 million	$1.9 million	$5.8 million	$5.1 million
Safety and environmental	$0.3 million	$0.2 million	$1.2 million	$0.7 million
Royalties	$0.2 million	$0.3 million	$1.0 million	$0.7 million
Decommissioning liability	$Nil	$0.1 million	$0.1 million	$0.1 million
Financing	$0.7 million	$Nil	$2.0 million	$Nil
Cost recoveries	($4.3 million)	($2.6 million)	($16.4 million)	($12.6 million)

The net comprehensive loss for the quarter ended 31 July 2013 ($5.6 million) decreased by $2.1 million over the quarter ended 31 July 2012. The primary contributor to the increase was the increase in cost recoveries of $1.7 million over the quarter ended 31 July 2012, which was the result of an increase in gold recoveries and sales during the quarter. Total costs for the two quarters were essentially even.

The decrease in administrative costs was due to an inventory write-down of $850,000 occurring in the 3rd quarter of 2012. Finance costs increased during the quarter due to the costs associated with the $12.75 million Waterton credit facility, which was concluded in the second quarter of fiscal 2012. The financing costs will continue to be an additional expense over previous periods during the life of the credit facility.

The net comprehensive loss for the six months ended 31 July 2013 ($17.7 million) decreased by $4.2 million from the nine months ended 31 July 2012 ($22.0 million). The areas of major change were 1) cost recoveries for the nine months were greater by $3.8 million, 2) camp and maintenance costs decreased by $1.9 million due the completion of major refurbishment projects in the nine months ended 31 July 2012, 3) drilling and mining costs decreased by $1.2 million due to the focus on creating the new plan and 4) financing costs and interest increased by $2.5 million due the credit facility with Waterton.

Cost recoveries continue to remain significantly below costs for the nine months ended 31 July 2013 and the decision has been made to cease operations until such time that cash positive operations can be reasonably expected. Waterton has continued to advance cash against future deliveries of metal to cover the shortfall (the net amounts are detailed in Subsequent Events below).

Quarterly comparison data:

	31 Jul 2013	**30 Apr 2013**	**31 Jan 2013**	**31 Oct 2012**	**31 Jul 2012**	**30 Apr 2012**	**31 Jan 2012**	**31 Oct 2011**
Total Revenues	Nil	Nil	nil	nil	nil	Nil	nil	nil
Net loss	5,654,737	6,392,404	5,449,469	11,314,889	7,731,317	5,588,912	8,656,898	5,978,361
Net loss per share	0.02	0.02	0.02	0.05	0.08	0.05	0.08	0.05
Total assets	9,595,340	10,436,893	10,797,213	12,511,210	11,422,023	14,906,785	13,403,429	11,495,124

LIQUIDITY

At 31 July 2013, the Company's working capital (deficit), defined as current assets less current liabilities, was a deficit of $27,600,237 compared with a working capital deficit of $3,746,776 at 31 October 2012. Management has determined that the Company will not be able to commence loan repayments to Waterton at 31 July 2013 and as a result are in default of the terms of this loan. As at 31 July 2013, the Company had the following commitments:

	< 1 year $	**2-3 years $**	**> 3 years $**	**Total $**
Rent and lease payments	91,458	45,729	-	137,178
Notes for Larox	171,063	-	-	171,063
Advances payable	14,047,085	-	-	14,047,085
Waterton loan extension fee	617,369	617,369	-	1,234,738
Waterton credit facility	13,376,875	3,086,971	-	16,463,846
Total commitments	**28,303,850**	**3,750,069**	-	**32,053,910**

MOST RECENT FINANCING

On 4 April 2012, the Company entered into a US$12.75 million gold-backed credit facility with Waterton. The Waterton Credit Facility bears interest at a fixed rate of 5% per annum, consists of a single drawdown on closing and is repayable in 16 monthly instalments, beginning 31 July 2013. This initial payment was not made and thus the company is in default of this credit facility. The Waterton Credit Facility may be repaid, at Waterton's option, in either cash or ounces of gold at 78% of the then prevailing gold price. As part of the transaction, the Company has also agreed to sell to Waterton all of the gold and silver produced from the Carbon-in-leach (“CIL”) circuit until 30 April 2014 pursuant to a gold and silver supply agreement (the "Supply Agreement") at approximately 98.5% of current prices. In connection with the Waterton Credit Facility, the Company paid Waterton a cash structuring fee of US$255,000 and issued warrants (the "Warrants") to Waterton to purchase 8,250,000 common shares priced at $0.23575 per common share. The Warrants expire three years from the date of closing and are subject to a four month hold. In addition, the Company paid a finder's fee of US$255,000 to a broker.

MOST RECENT SHARE PROCEEDS

On August 9, 2012, the Company issued 88,417,458 equity units at a price of $0.065 for gross proceeds of $5,747,135 (the “First Tranche”). Each equity unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.10 for a period of five years. In connection with the offering, various agents were paid $137,041 and issued 2,108,320 compensation options which entitle the agents to purchase one share and one warrant at a price of $0.065 with each warrant having the same terms as the equity unit warrants.

On August 31, 2012, the Company issued 16,602,709 equity units at a price of $0.065 for gross proceeds of $1,079,176 (the “Second Tranche”). Each equity unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.10 for a period of five years. In connection with the offering, an agent was paid $86,334 and issued 1,328,216 compensation options which entitle the agent to purchase one share and one warrant at a price of $0.065 with each warrant having the same terms as the equity unit warrants.

On Sept 20, 2012, the Company issued 108,694,492 equity units at a price of $0.065 for gross proceeds of $7,065,142 (the “Third and Final Tranche”). Each equity unit consists of one common share of the Company and one common share purchase warrant. Each warrant entitles the holder to purchase one common share at an exercise price of $0.10 for a period of five years. In connection with the offering, various agents were paid an aggregate of $409,864 and issued 6,305,603 compensation options which entitle the agents to purchase one share and one warrant at a price of $0.065 with each warrant having the same terms as the equity unit warrants.

The proceeds of these offerings have been used for the further development of the Nixon Fork Gold Mine, satisfaction of outstanding debt and general working capital.

OUTSTANDING SHARE AND OPTION DATA

The Company is authorized to issue unlimited common shares without par value. At 31 July 2013 there were 316,157,031 outstanding shares compared to 316,157,031 at 31 October 2012. At 31 July 2013 there were 5,421,636 outstanding stock options at an average exercise price of $0.23. The Company also had 221,964,659 common share purchase warrants outstanding and exercisable, at weighted average exercise price of $0.11 and 9,671,062 compensation options at an average exercise price of $.065.

Stock Options

The Company has established a fixed share purchase option plan as of 26 July 2012, whereby the board of directors ("Board") may from time to time grant to directors, officers, employees or consultants up to a maximum of 10,244,237 stock options. 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 at the time such option is granted and cannot be less than the closing market price on the TSX Venture Exchange ("TSXV") on the last trading day preceding the grant date, less any allowable discounts that may be permitted under applicable exchange policies.

During the quarter ended 31 July 2013 no options were issued. During the quarter ended 31 July 2013 880,000 options were cancelled.

Share Purchase Warrants

No share purchase warrants were issued during the quarter ended 31 July 2013. During the year ended 31 October 2012, 231,635,721 share purchase warrants were granted at a weighted average exercise price of $.10.

Exercise of Warrants and Options

During the quarter ended 31 July 2013, there were no agent compensation warrants, warrants, or stock options exercised.

RELATED PARTY TRANSACTIONS

The remuneration of directors and other members of key management were as follows:

	Qtr ended 31 July 2013	Qtr ended 31 July 2012	9 Mths ended 31 July 2013	9 Mths ended 31 July 2012
Short-term benefits	$117,291	$79,444	$386,498	$358,471
Share-based payments	$4,750	$98,687	$48,818	$731,748
Total	$122,041	$178,131	$435,316	$1,090,219

The liabilities of the Company include the following amounts due to related parties:

	31 July 2013	31 July 2012	31 Oct 2012
Chief Executive Officer	$6,073	$Nil	$6,218
Chief Financial Officer	$3,846	$Nil	$3,938
Former Chief Financial Officer	$Nil	$4,407	$32,282
Current directors	$18,750	$Nil	$Nil
Former directors	$39,984	$29,000	$39,984
Former VP Operations	$Nil	$Nil	$Nil
Total	$68,653	$39,679	$82,422

IMPORTANT NOTES

The Company has been involved in certain disputes related to human resources matters. These matters have been settled and appropriate amounts relating to these settlements have been accrued and recorded in trade and other payables in the financial statements.

SUBSEQUENT EVENTS

Subsequent to the quarter ended 31 July 2013, the Company received payments and advance payments from Waterton for the sale of gold doré valued at USD$1,478,043. In total since inception under the dore purchase agreement with Waterton, the Company has received payments of US$28,417,259 and delivered USD$13,011,258 in gold doré to Waterton, resulting in a current dore advance balance of USD$15,406,001.

Mine shut down costs for August 2013 were approximately $1.2 million.

As of June 28, the Company has commenced the process of placing its Nixon Fork gold mine on care and maintenance. The care and maintenance process concluded on 9 September 2013 and final approval from the regulatory agencies is expected by 30 September 2013. A contractor, Golden Royalty Services, has been engaged to continue monitoring activities as required by the regulatory agencies. The Company is taking this action until a revised operating plan has been developed and market conditions improve. In the interim, the Board will run a strategic process and consider and evaluate all options with respect to the Nixon Fork property.

Fire River Gold Corp USA was dissolved on 15 August 2013. This corporation was an empty shell and not necessary to the functioning of the corporation structure.

CRITICAL ACCOUNTING ESTIMATES

The preparation of financial statements in conformity with IFRS 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 period ended 31 July 2013.

IFRS ACCOUNTING POLICIES

The Company's unaudited consolidated quarterly financial statements as at 31 July 2013 and the audited consolidated financial statements as at and for the year ended 31 October 2012 have been prepared in accordance with IFRS as issued by the IASB.

FINANCIAL INSTRUMENTS AND RISK

The Company's financial instruments consist of cash and cash equivalents, trade payables and loans payable. The fair value of these financial instruments approximates their carrying value unless otherwise noted.

Fair Values

	Fair value hierarchy	FVTPL, at fair value	Loans and receivables, at amortized cost	Available-for-sale, at fair value	Other liabilities, at amortized cost
Cash and cash equivalents	Level 1	280,108	-	-	-
Trade and other receivables	Level 1	519,959	-	-	-
Trade accounts payable	N/A	-	-	-	585,903
Advances payable	N/A	-	-	-	14,047,085
Loans and notes payable	N/A	-	-	-	14,768,221

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 and U.S. financial institutions. As at 31 July 2013, amounts receivable included Harmonized Sales Tax of $5,256, $629,492 due from Glencore for concentrate and $185,211 due from Alaska Air Fuel. Sales of commodities produced are made to established counterparties (Glencore and Waterton) and a significant portion of the receivable is paid to the Company upon shipment of the product. As a result of all of the above, 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. This issue is the single greatest concern of Company management.

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.

At 31 July 2013 the majority of the Company's cash flows and financial assets and liabilities are denominated in US dollars, however, the Company's functional and reporting currency is Canadian dollars. Foreign currency risk is therefore limited to accounting for the foreign exchange gain/loss for the portion of the Company's business transactions denominated in currencies other than the Canadian dollar.

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 table provide an indication of the Company's significant foreign currency exposures during the quarter ended 31 July 2013 and the year ended 31 October 2012:

	31 July 2013	**31 October 2012**
Cash and cash equivalents	US$221,646	US$988,989
Trade receivables	US$320,222	US$Nil
Note receivable	US$180,000	US$Nil
Trade payables	US$(514,217)	US$(1,228,532)
Advances payable	US$(13,651,890)	US$(1,005,126)
Loans payable	US$(12,750,000)	US$(12,750,000)

The activities at the Company's main operating unit, the Nixon Fork Mine, are conducted primarily in US dollars. The Company receives US dollars for the sale of its products from the Nixon Fork Mine (copper-gold concentrates and gold doré). The Company intends to minimize its net exposures to foreign currency fluctuations by maintaining a large portion of the revenues expected to be produced at the Nixon Fork Mine in US dollars to cover US dollar operating costs.

The Company has not entered into derivative instruments to offset the impact of foreign currency fluctuations.

d) **Interest Risk**

The company had no interest bearing investments at 31 July 2013.

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, which impacts the Company's cost recoveries. The results of our operations will depend, amongst other variables, 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.

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 IFRS. 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 quarter ended 31 July 2013. 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.

OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements.