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Fire River Gold Announces Results of Snowden's PEA for the Resumption of Underground Mining at the Nixon Fork Gold Mine, Alaska

February 17, 2011 Vancouver, Canada - Fire River Gold Corp. (TSX-V: FAU; OTCQX: FVGCF; FSE: FWR) ("FAU" or the "Company") is pleased to announce the results of a Preliminary Economic Assessment (PEA) performed by Snowden Mining Industry Consultants Inc. ("Snowden") evaluating the resumption of underground mining at the Nixon Fork Gold Mine.

Summary and Conclusion:
The key findings of the study are as follows:

- **The current resource is sufficient to sustain a two year production forecast at a production rate of 150 tonnes per day with an average mined grade of 30.1 g/t using an average cut-off grade of approximately 15 g/t**
- The mineral inventories in this report are based on the most current resource estimate (Giroux, 2010), which do not include the results of ongoing ore definition and exploration drilling performed in 2010 and 2011. **At the direction of FAU, this study focuses on the first two years of mining, though the resources are not depleted during this period**
- **Capital costs to resume production are estimated to be $6.3 M with a projected payback of 3 months**
- **Operating costs are estimated at $434/t or $447/oz** for the first two years of operations
- **At a gold price of $1200 per oz Au, the project delivers an IRR of 549% and NPV of $60.9M on an undiscounted cash flow of $64.3M over the first two operating years**

All units in this document are metric and all currency is in $USD unless otherwise stated.

"We are very happy with the result of this PEA." commented Harry Barr, President & CEO of Fire River Gold. "It demonstrates what we have always believed about the Nixon Fork Gold Mine – that it has the potential to generate significant profits with a minimum start up capital requirement."

Current Company Activity:

At present the company is engaged in three primary activities at the Nixon Fork Mine Site:

- Preparing the mine for the eventual resumption of mining operations, including: rehabilitating underground excavations, rebuilding the mine mobile equipment, re-establishing or enhancing mine services and facilities, ordering additional mining equipment for production, and preparing a detailed mine plan
- 28,000 metre exploration and ore definition drilling to expand resources and support the detailed mine plan
- Construction of a 250 tpd cyanidation circuit in the mill for the recovery of gold from existing and future post-gravity / post-flotation tailings

Scope of this Study:

This PEA focuses on the resumption of underground mining and processing with a production rate of 150 tpd. **The mineral inventories in this report are based on the most current resource estimate (Giroux, 2010), which do not include the results of ongoing ore definition and exploration drilling performed in 2010 and 2011. At the direction of FAU, this study focuses on the first two years of mining, though the resources are not depleted during this period.**

Details from the Study:

Geotechnical Evaluation: Stability analyses were performed based on underground mapping and core logging by Dr. Walter Keilich of Snowden. Final recommendations for the Crystal Mine included bolting patterns for all development and stoping areas (normally 1.8 m bolts on 1.2 to 1.3 m spacing), as well as a recommendation to cable bolt sublevel open stope walls.

Mining Methods: Three mining methods were identified as suitable for the ore zones: longhole open stoping, cut-and-fill, and shrinkage. Cut-off grades (COG) of between 12.5 g/t and 20 g/t were determined, based on mining and access costs. Most stopes were assessed at a COG of 15 g/t.

Underground Development: Access development was designed at a uniform profile of 4.0mH x 4.0mW, with a maximum gradient of 15% applied to ramps. Conceptual development was generated to access all stoping blocks, with a total requirement of 1,914 m estimated to service the two-year production plan, an average of 82 m per month.

Mineral Inventory: A potentially economic inventory of 101,249 tonnes grading 30.2 g/t was generated for three mining areas, as shown in Table 1.

Mining to Depth: Approximately 50% of the mineral inventory is at depth in the Crystal Mine. At present this is a zero-discharge operation. The water table has not been defined at present. The mine is quite dry with inflows of <1.0 l/s, though the water level at the bottom of the mine is known to fluctuate seasonally by as much as 6 vertical metres. The Company has several plans in place to facilitate mining to depth, including the installation of dammed reservoirs in the mine to contain mine water, recycling mine water for drill requirements, using spraying misters to evaporate excess water.

Table 1: Potentially Economic Mineral Inventories

Area	Tonnes kt	Grade Au g/t
Crystal	87.5	30.6
Southern Cross	1.39	19.2
Mystery	12.4	28.3
Total	**101.3**	**30.2**

Production Forecast: A processing rate of 150 tpd or 4500 tonnes per month was assumed for the duration of the two-year production forecast. In general two to four stoping areas are assumed to be active at a time. The forecast was prepared with a "high grade early" strategy. During the first year, mining only occurs in the 3000 and 330 zones of the Crystal Mine. The Mystery Mine begins production in the 18th month.

Table 2: Project Forecast – Material Movement and Feed Grades

Zone	Item	Year 1 by Month												Total
		1	2	3	4	5	6	7	8	9	10	11	12	
3077	tonnes	-	-	-	-	-	-	-	-	-	-	4,500	4,500	9,000
	g/t											49.0	33.8	41.4
3000D	tonnes	1,125	2,250	2,982	-	-	-	-	-	-	-	-	-	6,357
	g/t	42.1	42.1	42.0										42.1
3300_300	tonnes	-	-	393	4,500	4,500	4,500	298	-	4,248	4,500	-	-	22,940
	g/t			37.8	37.8	37.8	34.2	31.3		29.4	24.0			32.7
3300_383	tonnes	-	-	-	-	-	-	4,202	4,500	252	-	-	-	8,954
	g/t							24.8	24.8	18.2				24.6
SC	tonnes	-	-	-	-	-	-	-	-	-	-	-	-	-
	g/t													
Mystery		-	-	-	-	-	-	-	-	-	-	-	-	-
Total mill feed	tonnes	1,125	2,250	3,375	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	47,250
Feed grade	g/t	42.1	42.1	41.5	37.8	37.8	34.2	25.2	24.8	28.8	24.0	49.0	33.8	34.1
Cost	$/oz	371.9	337.9	330.9	356.0	356.5	393.3	527.9	537.9	467.1	561.1	268.5	392.5	447.4
	$/t	504.0	458.0	441.5	432.4	433.1	432.0	428.3	428.9	432.5	433.0	423.3	426.8	434.0

Zone	Item	Year 2 by Month												Total
		13	14	15	16	17	18	19	20	21	22	23	24	
3077	tonnes	452	3,398	1,638	4,443	-	-	-	-	-	-	-	-	9,931
	g/t	44.4	28.4	27.3	29.4									29.4
3000D	tonnes	4,048	-	-	57	-	4,500	2,486	-	-	-	-	-	11,091
	g/t	33.7			33.7		24.7	23.9						27.8
3300_300	tonnes	-	-	2,862	-	4,500	-	624	3,795	-	-	4,500	1,110	17,391
	g/t			30.7		29.4		19.8	23.1			20.3	16.9	24.7
3300_383	tonnes	-	1,102	-	-	-	-	-	705	-	-	-	-	1,807
	g/t		18.2						18.2					18.2
SC	tonnes	-	-	-	-	-	-	1,390	-	-	-	-	-	1,390
	g/t							19.2						19.2
Mystery		-	-	-	-	-	-	-	-	4,500	4,500	-	3,389	12,389
										31.7	21.2		33.3	28.3
Total mill feed	tonnes	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,500	4,499	53,999
Feed grade	g/t	34.8	25.9	29.5	29.4	29.4	24.7	21.9	22.3	31.7	21.2	20.3	29.2	26.7
Cost	$/oz	386.8	512.0	456.6	453.0	456.7	546.4	613.4	605.5	431.5	641.1	665.6	469.4	447.4
	$/t	432.4	426.5	432.6	428.7	432.3	433.6	431.2	434.4	439.9	436.6	434.1	441.4	433.6

Metallurgy and Processing: Gold recovery assumptions were based on historical performance for gravity and flotation circuits and the results of the August 2010 PEA for cyanidation. An allowance was included for incremental improvement of total recovery through start-up, from 90% on commissioning to 95% as the assumed maximum recovery.

Table 3: Estimation of Capital Requirement

Item	Units	Unit cost ($M)	Total cost ($M)
Remote loader	1	0.500	0.500
20t underground truck	2	0.400	0.800
Forklift for bolting	1	0.130	0.130
Alimiak/rail/accessories	1	0.300	0.300
Misting sprayer	1	0.075	0.075
First fill supplies	1	0.150	0.150
Subtotal			**1.955**
Contingency	30%		0.590
Working capital	1.5	2.500	3.750
Total			**6.295**

Capital Requirement: The capital requirement for the Project is low, as shown in Table 3, because of the extensive existing infrastructure, facilities, and mobile equipment at site. The primary requirement is working capital, comprising 60% of the estimated capital requirement. Annual sustaining capital was included at 2.5% of the start-up capital requirement.

Table 4: Average Operating Costs by Category for Two Year Plan

Item	$/t processed	$/tOz produced
Mining Cost	124	128
Processing Cost	190	196
G & A Cost	120	124
Total	**434**	**447**

Operating Costs: Over the two-year duration of this study, operating costs have been estimated to average $/oz or $/tonne, broken out by category as follows:

Financial Model: Three gold prices were used: **$1033/oz**, representing a three year average price, **$1200/oz**, the "Base Case" price requested by FAU, and **$1500/oz** representing an optimistic case. The results of the analysis are shown in Table 5.

Table 5: Summary of Financial Model for Two Year Plan

Item	Units	Gold price ($US/tOz) 1,033	1,200	1,500
Undiscounted cash flow	$USM	47.8	64.3	93.6
NPV @ 5% discount	$USM	45.3	60.9	88.9
IRR	%	462	549	853
Payback period	Months	4	3	3

No revenues were included for copper or silver, though the operation has received payment for both metals in the past. This was due to lack of support for a resource estimate for those two metals. **The payback period is estimated at 3 months for all cases. The short duration is a direct result of the low capital requirement.**

Sensitivity analyses were performed over the range of -25% to +25% of the base case assumptions for gold price/process recovery, development costs, development capacity, process and G&A costs, and underground production costs.

As shown in Figure 1, the project is most sensitive to the gold price.

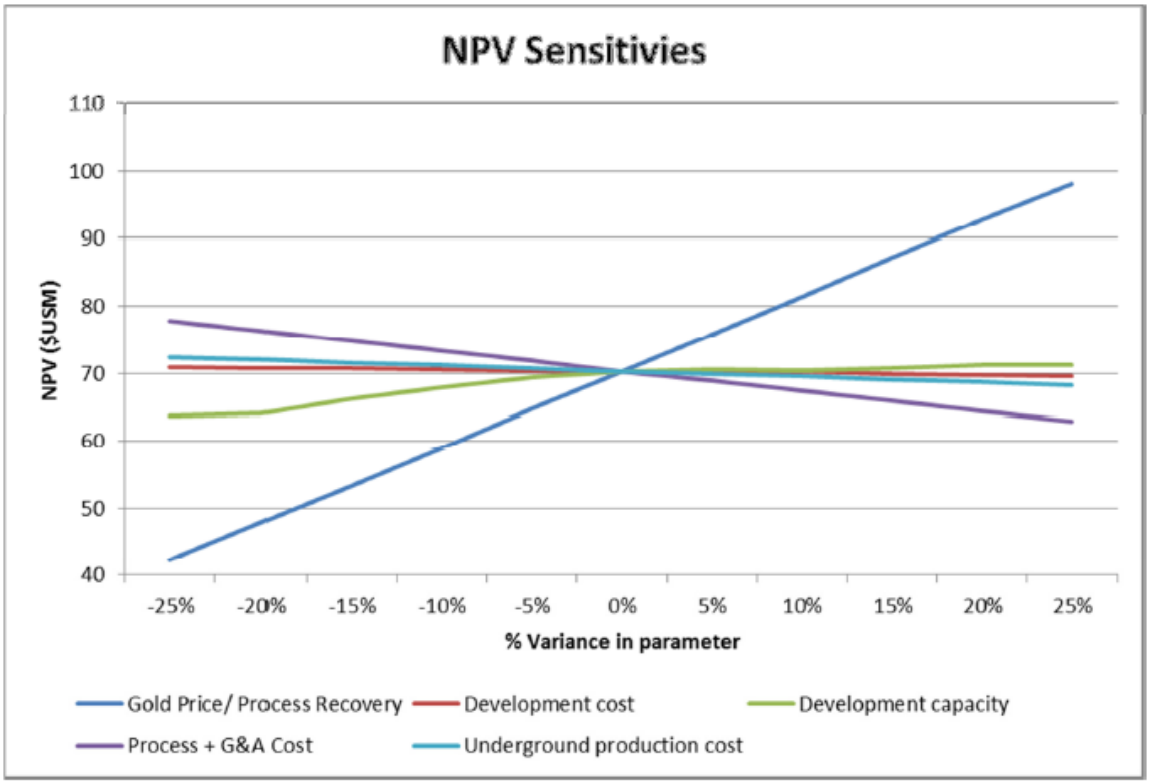

Figure 1: Sensitivity Analyses for Two Year Plan

Conclusions: **Snowden has determined that there is potential for profitable operations from the first 24 months of production at the Nixon Fork Mine based on the most current resource estimate (Giroux, 2010). The base case of $1200/oz Au returns an undiscounted cash flow of $64.3 M and an IRR of 549% for this two year plan.**

Recommendations:
Snowden makes the following recommendations:

1. A substantial exploration program should be maintained to replace mineral reserves on an annual basis
2. Ongoing work is required to accurately determine depletion of resources by prior mining campaigns
3. Ore definition drilling should be ongoing to upgrade the resources to Measured or Indicated prior to completing a prefeasibility study
4. One of the principal drivers of the high cut-off grade is the processing rate, and a mill expansion should be evaluated. The mineral inventory at a lower cut-off grade of 10 g/t is almost double that at 15 g/t
5. FAU should proceed with its plans to define and control the moderate inflows of ground water

Use of this Study:

In September 2010, the Company completed a PEA that assessed the viability of completing a cyanidation circuit for the purpose of recovering gold from an existing tailings pond (refer to press release dated September 29, 2010) and increase overall gold recovery from future mining. **Construction of the cyanidation circuit began in January 2011 and is projected to be complete and operational by Summer 2011.** This study does not incorporate the resources contained in the historic tailings pond (Indicated: 92,000 tonnes @ 7.9 g/t; inferred 48,000 tonnes @ 7.4 g/t) nor does it include the financial benefit of recovering the gold from these tailings through the cyanidation circuit, as defined in the September 2010 PEA.

The Company will combine the results of the two PEAs as components of an internal operational mine plan, modelling the financial results obtained from mining 150 tpd from the underground and operating the cyanidation circuit at 250 tpd with supplemental feed from the historic tailings pond for six months of the year.

The Company is well funded, with $13.8 CAD in its treasury (as at 9 Feb 2011) and estimates that the current funding will complete the construction of the cyanidation circuit, provide the start up capital for the mine, and sustain ongoing company G&A costs through the production ramp up period. However, FAU will be seeking to make available additional sources of funding of up to $10M to act as a contingency to supplement working capital needs for the transition from development to production, and to expand the exploration program.

As a result, the Company is pursuing alternative methods of financing such as a line of credit, off take agreement, gold loan and/or additional equity.

This assessment is preliminary in nature and includes the assessment of Inferred mineral resources that are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. There is no certainty that the evaluation reported in this preliminary assessment will be realized.

About 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 in 2011. The Nixon Fork Gold Mine is a permitted and bonded mine which include a ~200 tpd processing plant with a gravity gold circuit, sulphide flotation circuit and a gold recovery system (CIL circuit) that is scheduled to be completed by Summer 2011. The mine also includes a fleet of surface & underground mining vehicles, a self-contained power plant, maintenance facilities, drilling equipment, an 85 person camp, office facilities and a 1.2 km long landing strip. A 28,000 metre exploration and ore definition drill program is in progress to expand the current resources and support the detailed mine plan.

Fire River Gold Corp is a member of the International Metals Group.
(www.internationalmetalsgroup.com)

On behalf of the Board of Directors, I look forward to keeping you updated with our corporate developments.

Richard Goodwin
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