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NEWS RELEASE  
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## Fire River Gold Update on Progress of the Nixon Fork Mine Start Up

August 25, 2011 Vancouver, BC, Canada - Fire River Gold Corp. and Mystery Creek Resources Inc. (TSX.V: FAU), (OTCQX: FVGCF), (FSE: FWR) (collectively "the Company") are pleased to provide this update for the Nixon Fork Mine. It provides a summary of the progress of mining and milling activities.

Mill commissioning started on July 4<sup>th</sup> 2011 and it has operated since that time at an average availability of 71%. A total of 3,078 tons of ore was processed in July and approximately 2,500 so far this month. Only gravity and flotation circuits are being operated at this time, while the CIL plant is still under construction. The current mill feed head grade is averaging approximately 20 g/t.

Over 30 tonnes of copper concentrate has been produced containing 18% Cu, 779 g/t Au, and 398 g/t Ag. A total of 21 bags of concentrate weighing 18,300 kg have been shipped to Anchorage using a Hercules L-100 aircraft.

The concentrate has been markedly improved in comparison to the last production period by increasing the grades and decreasing the moisture content as follows:

Year	Cu %	Au g/t	Ag g/t	% Moisture
2011	18.2	779	398	9.0
2007	12.6	337	184	22.8
Change	5.6	442	215	-13.8

The moisture content has been further reduced to less than 6% in the most recent bags.

Gravity separation has recovered approximately 500 ounces of gold in the gravity concentrate, which will be poured into a 30 kg doré bar.

Total gold recovery has averaged 78% (24% from gravity and 54% in the copper concentrate) which is close to expectations. By comparison, recovery averaged 68% in 2007. Total gold recovery will increase substantially with the addition of leaching as a third gold recovery process.

Approximately 4,000 tonnes of ore has been mined to-date from five stopes using room and pillar extraction. The mine is currently producing approximately 170 tonnes per day at a grade of 18 g/t.

The property is evaluating other stoping methods, including longhole to reduce costs and increase productivity. Equipment has been acquired to test these other methods, including a remote control scooptram and drill buggy. Non-explosive ore extraction is also being tested using scaling machines with considerable success.

The Qualified Person for this news release is Richard Goodwin, P.Eng, President & C.O.O for Fire River Gold.

On behalf of the Board of Directors,



Richard Goodwin  
President & C.O.O.

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