Fire River Gold Corp.

Consolidated Financial Statements

31 October 2014

(issued in Canadian dollars)

INDEPENDENT AUDITORS' REPORT

To the Shareholders of
Fire River Gold Corp.

We have audited the accompanying consolidated financial statements of Fire River Gold Corp., which comprise the consolidated statements of financial position as at October 31, 2014 and 2013, and the consolidated statements of income (loss) and comprehensive income (loss), cash flows and changes in equity (deficiency) for the years then ended, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Consolidated Financial Statements

Management is responsible for the preparation and fair presentation of these consolidated financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

Auditors' Responsibility

Our responsibility is to express an opinion on these consolidated financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the consolidated financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the consolidated financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the consolidated financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

1200 - 609 Granville Street, P.O. Box 10372, Pacific Centre, Vancouver, B.C., Canada V7Y 1G6
Telephone (604) 687-0947 Fax (604) 687-6172

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the financial position of Fire River Gold Corp. as at October 31, 2014 and 2013, and its financial performance and its cash flows for the [years then ended] in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which describes conditions and matters that indicate the existence of a material uncertainty that may cast significant doubt about Fire River Gold Corp.'s ability to continue as a going concern.

"DAVIDSON & COMPANY LLP"

Vancouver, Canada | Chartered Accountants

February 3, 2015

Fire River Gold Corp.
Consolidated Statements of Financial Position
(Expressed in Canadian dollars)

	Notes	As at 31 October 2014 $	As at 31 October 2013 $
ASSETS			
Current assets			
Cash	5	**115,486**	**12,003**
Receivables	6	**55,000**	**235,000**
Prepaid expenses and deposits	7	**-**	**30,613**
		170,486	**277,616**
Property, plant and equipment	9	**-**	**42,465**
Total assets		**170,486**	**320,081**
EQUITY (DEFICIENCY) AND LIABILITIES			
Current liabilities			
Trade and other payables	10	**202,811**	**56,800**
Note payable	11	**10,578**	**-**
Total liabilities		**213,389**	**56,800**
Equity (Deficiency)			
Common shares	13	**39,172,995**	**39,172,995**
Reserves		**18,029,569**	**18,029,569**
Deficit		**(57,245,467)**	**(56,939,283)**
Total equity (deficiency)		**(42,903)**	**263,281**
Total equity (deficiency) and liabilities		**170,486**	**320,081**

APPROVED BY THE BOARD:

“Blane Wilson” — Director

“Brent Chamberlain” — Director

The accompanying notes are an integral part of these consolidated financial statements.

Fire River Gold Corp.

Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

(Expressed in Canadian dollars)

		Year Ended 31 October	
	Notes	**2014** **$**	2013 $
Administration expenses	15	**306,190**	**1,299,778**
Exploration and evaluation expenses	8	**-**	**15,028,589**
Loss before other items		**(306,190)**	**(16,328,367)**
Other items			
Finance costs		**-**	**(3,160,255)**
Forfeiture of subsidiary	11	**-**	**29,368,745**
Reversal of provision for legal dispute		**-**	**500,000**
Interest expense		**(468)**	**(1,133)**
Foreign exchange		**474**	**1,728**
Net income (loss)		**(306,184)**	**10,380,718**
Other comprehensive income (loss)			
Foreign currency translation adjustment		**-**	**(370,166)**
Net comprehensive income (loss)		**(306,184)**	**10,010,552**
Earnings (loss) per share			
Basic and diluted	17	**(0.00)**	**0.03**

The accompanying notes are an integral part of these consolidated financial statements.

Fire River Gold Corp.

Consolidated Statements of Cash Flows

(Expressed in Canadian dollars)

	Notes	Year Ended 31 October 2014 $	2013 $
OPERATING ACTIVITIES			
Net income (loss) for the year		**(306,184)**	**10,380,718**
Adjustments for:			
Depreciation	9	**-**	**1,135,400**
Reclamation and accretion	12	**-**	**93,427**
Share-based payments	14	**-**	**101,342**
Provision for legal dispute		**-**	**(500,000)**
Accretion of debt		**-**	**3,169,072**
Gain on forfeiture of subsidiary		**-**	**(29,368,745)**
Disposal of office assets		**42,465**	**-**
Accrued interest		**424**	**-**
Operating cash flows before movements in working capital			
Decrease in inventory		**-**	**1,886,358**
Decrease (increase) in receivables		**180,000**	**(141,792)**
Decrease (increase) in prepaid expenses and deposits		**30,613**	**68,681**
Increase (decrease) in advances payable		**-**	**14,698,094**
Increase (decrease) in payables		**146,011**	**(1,600,445)**
Cash used in operating activities		**93,329**	**(77,890)**
INVESTING ACTIVITIES			
Purchase of reclamation bond		**-**	**(2,654)**
Purchase of property, plant and equipment	9	**-**	**(629,609)**
Disposal of property, plant and equipment		**-**	**-**
Cash used in investing activities		**-**	**(632,263)**
FINANCING ACTIVITIES			
Cash received for loans payable		**10,154**	**285,000**
Repayment of loans payable		**-**	**(530,941)**
Cash provided by (used in) financing activities		**10,154**	**(245,941)**
Effect of foreign exchange rate changes on cash		**-**	**(20,892)**
Change in cash		**103,483**	**(976,986)**
Cash, beginning of year		**12,003**	**988,989**
Cash, end of year		**115,486**	**12,003**

Supplemental cash flow information (Note 21)

The accompanying notes are an integral part of these consolidated financial statements.

Fire River Gold Corp.

Consolidated Statements of Changes in Equity (Deficiency)

(Expressed in Canadian dollars)

	Number of shares	Common shares $	Stock options reserve $	Warrants reserve $	Foreign currency translation reserve $	Deficit $	Total $
Balances at 31 October 2012	316,157,031	39,172,995	3,372,335	14,555,892	370,166	(67,320,001)	(9,848,613)
Share-based payments	**-**	**-**	**101,342**	**-**	**-**	**-**	**101,342**
Foreign currency translation adjustment	**-**	**-**	**-**	**-**	**(370,166)**	**-**	**(370,166)**
Net income for the year	**-**	**-**	**-**	**-**	**-**	**10,380,718**	**10,380,718**
Balances at 31 October 2013	**316,157,031**	**39,172,995**	**3,473,677**	**14,555,892**	**-**	**(56,939,283)**	**263,281**
Net income (loss) for the year	**-**	**-**	**-**	**-**	**-**	**(306,184)**	**(306,184)**
Balances at 31 October 2014	**316,157,031**	**39,172,995**	**3,473,677**	**14,555,892**	**-**	**(57,245,467)**	**(42,903)**

The accompanying notes are an integral part of these consolidated financial statements.

1 CORPORATE INFORMATION

Fire River Gold Corp. (the “Company” or “Fire River”) was incorporated on 22 September 1997 under the laws of the Province of British Columbia and is a mineral exploration company focused on the acquisition, exploration and development of primarily gold, silver and base metal properties.

On January 13, 2015 the British Columbia Securities Commission revoked the cease trade order issued on March 7, 2014. On January 16, 2015 the Alberta Securities Commission revoked the cease trade order issued on June 30, 2014. On January 20, 2015 the Ontario Securities Commission revoked the cease trade order issued on March 24, 2014.

The Company had previous mining projects but effective October 7, 2013 Waterton Global Value, L.P. ("Waterton") took control of the Nixon Fork Gold Mine and Mystery Creek Resources, Inc. ("MCRI"), the U.S. corporation that owns the mine. This action was a result of the default by Fire River on the terms of the Credit Agreement with Waterton. Fire River has delivered all rights, debts, properties and obligations of MCRI to Waterton and Waterton accepted such as full and final satisfaction of the indebtedness due to Waterton under the Credit Agreement (Note 11). As part of the final Settlement Agreement Waterton also agreed to pay to Fire River approximately $250,000 in cash and other obligations (Note 6).

These consolidated financial statements have been prepared on the basis of accounting principles applicable to a going concern, which assume that the Company will be able to continue in operation for the foreseeable future, will be able to realize its assets, discharge its liabilities and commitments in the normal course of business.

As of 31 October 2014 the Company had no mining or exploration projects. The Company has minimal cash and will require a further cash infusion to maintain operations. These uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

The application of the going concern concept is dependent upon the Company’s ability to generate future profitable operations and receive continued financial support from its creditors and shareholders. Management is actively engaged in the review and due diligence on new projects, is seeking to raise the necessary capital to meet its funding requirements and has undertaken available cost cutting measures. There can be no assurance that management’s plan will be successful. If the going concern assumption were not appropriate for these financial statements then adjustments could be necessary in the carrying value and classification of assets and liabilities. Such adjustments could be material.

The Company had cash of $115,486 as at 31 October 2014 ($12,003 as at 31 October 2013) and working capital deficit of $42,903 as at 31 October 2014 (working capital of $220,816 as at 31 October 2013).

2 BASIS OF PREPARATION

2.1 Basis of presentation

The Company's financial statements have been prepared on the historical cost basis except for certain financial instruments which are measured at fair value, as explained in Note 19, and are presented in Canadian dollars except where otherwise indicated.

2.2 Statement of compliance

The consolidated financial statements of the Company, including comparatives, have been prepared in accordance with and using accounting policies in full compliance with International Financial Reporting Standards ("IFRS") and International Accounting Standards ("IAS") issued by the International Accounting Standards Board ("IASB") and interpretations of the International Financial Reporting Interpretations Committee ("IFRIC").

2.3 Adoption of new and revised standards and interpretations

At the date of authorization of these consolidated financial statements, the IASB and IFRIC have issued the following new and revised standards, amendments and interpretations which are not yet effective:

- IFRS 9 '*Financial Instruments: Classification and Measurement*' is a new financial instruments standard with a tentative effective date for annual periods beginning on or after 1 January 2018 that replaces IAS 39 and IFRIC 9 for classification and measurement of financial assets and financial liabilities.

The Company has not early adopted this standard and anticipates that the application of it will not have a material impact on the financial position and financial performance of the Company.

3 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

3.1 Significant accounting judgments, estimates and assumptions

The preparation of the Company's audited financial statements in conformity with IFRS requires management to make judgments, estimates and assumptions that affect the reported amounts of assets, liabilities and contingent liabilities at the date of the consolidated financial statements and reported amounts of income and expenses during the reporting period. Estimates and assumptions are continuously evaluated and are based on management's experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. However, actual outcomes can differ from these estimates.

Areas requiring a significant degree of estimation and judgment relate to the fair value measurements for financial instruments and share-based payments, the recoverability and measurement of deferred tax assets and liabilities and ability to continue as a going concern. Actual results may differ from those estimates and judgments.

3.2 Cash

Cash comprises cash at banks.

3.3 Principles of consolidation

Control is achieved when the Company has the power to govern the financial and operating policies of an entity so as to obtain benefits from its activities.

The results of subsidiaries acquired or disposed of during the year are included in the consolidated statement of loss and comprehensive loss from the effective date of acquisition or up to the effective date of disposal, as appropriate. All inter-company transactions, balances, income and expenses are eliminated in full on consolidation. In the prior fiscal year the Company disposed of its wholly owned subsidiary, Mystery Creek Resources, Inc., which was consolidated up to October 7, 2013 on which date ownership of the subsidiary was acquired by Waterton (Note 1). Fire River Gold Corp. USA, an empty shell, was dissolved in early 2013.

3.4 Foreign currencies

The functional currency of each of the Company's entities is measured using the currency of the primary economic environment in which that entity operates. The Company determined that the Company's functional currency is the Canadian dollar. The functional currency of the Company's prior subsidiaries, Fire River Gold Corp. USA and Mystery Creek Resources, Inc., was the U.S. dollar.

Foreign currency transactions are translated into the functional currency using the exchange rates prevailing at the date of the transaction. Foreign currency monetary items are translated at the period-end exchange rate. Non-monetary items measured at historical cost continue to be carried at the exchange rate at the date of the transaction. Non-monetary items measured at fair value are reported at the exchange rate at the date when fair values were determined. Exchange differences arising on the translation of monetary items or on settlement of monetary items are recognized in profit or loss in the period in which they arise, except where deferred in equity as a qualifying cash flow or net investment hedge. Exchange differences arising on the translation of non-monetary items are recognized in other comprehensive income (loss) in the statement of income (loss) and comprehensive income (loss) to the extent that gains and losses arising on those non-monetary items are also recognized in other comprehensive income. Where the non-monetary gain or loss is recognized in profit or loss, the exchange component is also recognized in profit or loss.

On consolidation, each respective entity's financial statements are translated into the presentation currency, being the Canadian dollar. Assets and liabilities are translated at the period-end exchange rate. Income and expenses are translated at the average exchange rate for the period in which they arise. Exchange differences are recognized in other comprehensive income (loss) and as a separate component of equity.

3.5 Property, plant and equipment

Property, plant and equipment are stated at cost less accumulated depreciation and accumulated impairment losses. The cost of an item of property, plant and equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located.

Depreciation is provided at rates calculated to write off the cost of property, plant and equipment, less their estimated residual value, using the straight-line method over the following expected useful lives:

- Computer equipment — 1 to 5 years
- Field equipment — 5 to 6 years
- Furniture and fixtures — 5 years
- Leasehold improvements — Over the life of the lease

3.6 Exploration and evaluation properties

Exploration and evaluation costs and option maintenance payments are expensed as incurred. When it has been determined that a resource property can be economically developed as a result of establishing proven and probable reserves, costs incurred prospectively to develop the property are capitalized as incurred and are depreciated using the unit-of-production depreciation method over the estimated life of the ore body based on proven and probable reserves.

3.7 Decommissioning, restoration and similar liabilities

The Company recognizes provisions for statutory, contractual, constructive or legal obligations associated with the reclamation of exploration and evaluation properties and retirement of long-term assets, when those obligations result from the acquisition, construction, development or normal operation of the assets. The net present value of future cost estimates arising from the decommissioning of plant, site restoration work and other similar retirement activities is added to the carrying amount of the related asset, and depreciated on the same basis as the related asset, along with a corresponding increase in the provision in the period incurred. Discount rates using a pre-tax rate that reflect the current market assessments of the time value of money are used to calculate the net present value.

The Company’s estimates of reclamation costs could change as a result of changes in regulatory requirements, discount rates and assumptions regarding the amount and timing of the future expenditures. These changes are recorded directly to the related asset with a corresponding entry to the provision.

Changes in the net present value, excluding changes in the Company’s estimates of reclamation costs, are charged to profit or loss for the period. The net present value of reclamation costs arising from subsequent site damage that is incurred on an ongoing basis during production are charged to profit or loss in the period incurred. The costs of reclamation projects that were included in the provision are recorded against the provision as incurred. The costs to prevent and control environmental impacts at specific properties are capitalized in accordance with the Company’s accounting policy for exploration and evaluation properties.

The Company does not have any significant decommissioning or restoration obligations.

3.8 Share-based payments

Share-based payments to employees are measured at the fair value of the instruments issued and recognized over the vesting periods. Share-based payments to non-employees are measured at the fair value of goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The corresponding amount is recorded to the stock options reserve. The fair value of options is determined using the Black-Scholes Option Pricing Model which incorporates all market vesting conditions. The number of shares and options expected to vest is reviewed and adjusted at the end of each reporting period such that the amount recognized for services received as consideration for the equity instruments granted shall be based on the number of equity instruments that will eventually vest.

3.9 Taxation

Deferred tax is provided for based on temporary differences at the reporting date between the tax bases of assets and liabilities and their carrying amounts for financial reporting purposes.

Deferred tax liabilities are generally recognized for all taxable temporary differences. Deferred tax assets are generally recognized for all deductible temporary differences to the extent that it is probable that taxable profits will be available against which those deductible temporary differences can be utilized. Such deferred tax assets and liabilities are not recognized if the temporary difference arises from goodwill or from the initial recognition (other than in a business combination) of other assets and liabilities in a transaction that affects neither the taxable profit nor the accounting profit.

The carrying amount of deferred tax assets is reviewed at each reporting date and reduced to the extent that it is no longer probable that sufficient taxable profit will be available to allow all or part of the deferred income tax asset to be utilized.

Deferred tax assets and liabilities are measured at the tax rates that are expected to apply to the year when the asset is realized or the liability is settled, based on the tax rates that have been enacted or substantively enacted at the reporting date.

3.10 Financial assets

Financial assets are classified as financial assets at fair value through profit or loss (“FVTPL”), held-to-maturity, loans and receivables, available-for-sale financial assets, or as derivatives designated as hedging instruments in an effective hedge, as appropriate. The Company determines the classification of its financial assets at initial recognition. Financial assets are recognized initially at fair value. The subsequent measurement of financial assets depends on their classification as follows:

Financial assets at FVTPL

Financial assets are classified as held for trading and are included in this category if acquired principally for the purpose of selling in the short term or if so designated by management. Derivatives, other than those designated as effective hedging instruments, are also categorized as held for trading. These assets are carried at fair value with gains or losses recognized in profit or loss. Transaction costs associated with financial assets at FVTPL are expensed as incurred. Cash is included in this category of financial assets.

Held-to-maturity and loans and receivables

Held-to-maturity and loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. Such assets are carried at amortized cost using the effective interest method if the time value of money is significant. Gains and losses are recognized in profit or loss when the financial assets classified in this category are derecognized
or impaired, as well as through the amortization process. Transaction costs are included in the initial carrying amount of the asset. Receivables are classified as loans and receivables.

Available-for-sale

Available-for-sale financial assets are those non-derivative financial assets that are not classified as loans and receivables. After initial recognition, available-for-sale financial assets are measured at fair value, with gains or losses recognized within other comprehensive income. Accumulated changes in fair value are recorded as a separate component of equity until the investment is derecognized or impaired. Transaction costs are included in the initial carrying amount of the asset.

The fair value is determined by reference to bid prices at the close of business on the reporting date. Where there is no active market, fair value is determined using valuation techniques. Where fair value cannot be reliably measured, assets are carried at cost.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.11 Financial liabilities

Financial liabilities are classified as financial liabilities at FVTPL, derivatives designated as hedging instruments in an effective hedge, or as financial liabilities measured at amortized cost, as appropriate. The Company determines the classification of its financial liabilities at initial recognition. The measurement of financial liabilities depends on their classification, as follows:

Financial liabilities at FVTPL

Financial liabilities at FVTPL has two subcategories, including financial liabilities held for trading and those designated by management on initial recognition. Transaction costs on financial liabilities at FVTPL are expensed as incurred. These liabilities are carried at fair value with gains or losses recognized in profit or loss.

Financial liabilities measured at amortized cost

All other financial liabilities are initially recognized at fair value, net of transaction costs. After initial recognition, other financial liabilities are subsequently measured at amortized cost using the effective interest method. Amortized cost is calculated by taking into account any issue costs, and any discount or premium on settlement. Gains and losses arising on the repurchase, settlement or cancellation of liabilities are recognized respectively in interest, other revenues and finance costs. Trade, other payables and note payable are included in this category of financial liabilities.

Derivatives designated as hedging instruments in an effective hedge

The Company does not hold or have any exposure to derivative instruments.

3.12 Impairment of financial assets

Financial assets, other than financial assets at FVTPL, are assessed for indicators of impairment at each period end.

Assets carried at amortized cost

If there is objective evidence that an impairment loss on assets carried at amortized cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced, with the amount of the loss recognized in profit or loss.

If, in a subsequent period, the amount of the impairment loss decreases and the decrease can be related objectively to an event occurring after the impairment was recognized, the previously recognized impairment loss is reversed to the extent that the carrying value of the asset does not exceed what the amortized cost would have been had the impairment not been recognized. Any subsequent reversal of an impairment loss is recognized in profit or loss.

Available-for-sale

If an available-for-sale financial asset is impaired, the cumulative loss previously recognized in equity is transferred to profit or loss. Any subsequent recovery in the fair value of the asset is recognized within other comprehensive income.

3.13 De-recognition of financial assets and liabilities

Financial assets are derecognized when the rights to receive cash flows from the assets expire or, the financial assets are transferred and the Company has transferred substantially all the risks and rewards of ownership of the financial assets. On derecognition of a financial asset, the difference between the asset's carrying amount and the sum of the consideration received and receivable and the cumulative gain or loss that had been recognized directly in equity is recognized in profit or loss.

For financial liabilities, they are derecognized when the obligation specified in the relevant contract is discharged, cancelled or expires. The difference between the carrying amount of the financial liability derecognized and the consideration paid and payable is recognized in profit or loss.

(Expressed in Canadian dollars)

3.14 Impairment of non-financial assets

The carrying amount of the Company's assets is reviewed for any indicators of impairment at the end of each reporting period. If an indication of impairment exists, the Company makes an estimate of the asset's recoverable amount. Individual assets are grouped for impairment assessment purposes at the lowest level at which there are identifiable cash flows that are largely independent of the cash flows of other groups of assets.

Recoverable amount of an asset group is the higher of its fair value less costs to sell and its value in use. In assessing value in use, the estimated future cash flows are adjusted for the risks specific
to the asset group and are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money.

Where the carrying amount of an asset group exceeds its recoverable amount, the asset group is considered impaired and is written down to its recoverable amount. Impairment losses are recognized in profit or loss.

An assessment is made at each reporting date as to whether there is any indication that previously recognized impairment losses may no longer exist or may have decreased. If such indication exists, the recoverable amount is estimated. A previously recognized impairment loss is reversed only if there has been a change in the estimates used to determine the asset's recoverable amount. An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation, if no impairment loss had been recognized.

3.15 Related party transactions

Parties are considered to be related if one party has the ability, directly or indirectly, to control the other party or exercise significant influence over the other party in making financial and operating decisions. Parties are also considered to be related if they are subject to common control. Related parties may be individuals or corporate entities. A transaction is considered to be a related party transaction when there is a transfer of resources or obligations between related parties.

4 SEGMENTED INFORMATION

At 31 October 2014, the Company maintains its corporate office in the United States. The following is an analysis of the current assets and non-current assets by geographical area:

	Canada $
Current assets	
As at 31 October 2013	277,616
As at 31 October 2014	170,486
Property, plant and equipment	
As at 31 October 2013	42,465
As at 31 October 2014	-

5 CASH

The Company’s cash is denominated in the following currencies:

	As at 31 October 2014 $	As at 31 October 2013 $
Denominated in Canadian dollars	**113,308**	**10,801**
Denominated in U.S. dollars	**2,178**	**1,202**
Total Cash	**115,486**	**12,003**

6 RECEIVABLES

	As at 31 October 2014 $	As at 31 October 2013 $
Waterton Global Value L.P.	**55,000**	**235,000**
Total receivables	**55,000**	**235,000**

7 PREPAID EXPENSES AND DEPOSITS

The Company’s prepaid expenses and deposits are as follows:

	As at 31 October 2014 $	As at 31 October 2013 $
Security deposits	**-**	**7,730**
Prepaid administration expenses	**-**	**22,883**
Total prepaid expenses and deposits	**-**	**30,613**

(Expressed in Canadian dollars)

8 EXPLORATION AND EVALUATION PROPERTIES

The Company's exploration and evaluation expenditures related to the Nixon Fork Gold Mine for the year 31 October 2013 are as follows:

	For the year ended 31 October 2014 $	For the year ended 31 October 2013 $
Administrative costs	-	2,587,077
Depreciation	-	1,105,039
Assaying	-	956,478
Camp and maintenance costs	-	12,636,098
Drilling and mining costs	-	5,134,143
Crushing and milling costs	-	5,709,824
Geology and engineering	-	688,513
Safety and environmental	-	1,316,113
Reclamation accretion expense	-	93,427
Royalties	-	959,466
Share-based payments	-	72,506
Cost recovery	-	(16,230,095)
Total costs	-	15,028,589

Nixon Fork Gold Mine

The Company released its total interest in the Nixon Fork Gold Mine to Waterton as of October 7, 2013 for non-payment of the loan (note 11). Prior to releasing the mine, the Company had been testing the gold processing plant and recognized recoveries related to the sale of concentrate and dore. The Company had not completed economic feasibility evaluations to determine whether development of the reserves was commercially justified.

Draken Property

The Company released its total interest in this property to Waterton as of October 7, 2013 for non-payment of the loan.

Kansas Creek Gold Project

The Company released its total interest in this property to Waterton as of October 7, 2013 for non-payment of the loan.

(Expressed in Canadian dollars)

9 PROPERTY, PLANT AND EQUIPMENT

The changes in the Company's property, plant and equipment for the year ended 31 October 2014 are as follows (the significant change being the disposal of Mystery Creek Resources):

	Computer equipment	Furniture and fixtures	Leasehold improvements	Field equipment	Total
	$	$	$	$	$
COST					
As at 31 October 2012	46,446	29,233	32,189	7,582,741	7,690,609
Additions	-	-	-	629,609	629,609
Foreign exchange adjustment	-	-	-	235,353	235,353
Disposal of Mystery Creek Resources	-	-	-	(8,447,703)	(8,447,703)
As at 31 October 2013	46,446	29,233	32,189	-	107,868
Disposal of assets	(46,446)	(29,233)	(32,189)	-	(107,868)
As at 31 October 2014	-	-	-	-	-
DEPRECIATION					
As at 31 October 2012	18,465	5,847	10,730	1,612,063	1,647,105
Depreciation	11,852	10,841	7,668	1,105,039	1,135,400
Disposals	-	-	-	-	-
Foreign exchange adjustment	-	-	-	65,920	65,920
Disposal of Mystery Creek Resources	-	-	-	(2,783,022)	(2,783,022)
As at 31 October 2013	30,317	16,688	18,398	-	65,403
Disposal of assets	(30,317)	(16,688)	(18,398)	-	(65,403)
As at 31 October 2014	-	-	-	-	-
NET BOOK VALUE					
As at 31 October 2012	27,981	23,386	21,459	5,970,678	6,043,504
As at 31 October 2013	16,129	12,545	13,791	-	42,645
As at 31 October 2014	-	-	-	-	-

10 TRADE AND OTHER PAYABLES

The Company's trade and other payables are broken down as follows:

	As at 31 October 2014 $	As at 31 October 2013 $
Trade payables	**143,155**	56,800
Accrued liabilities	**59,656**	-
Total trade and other payables	**202,811**	56,800

(Expressed in Canadian dollars)

Included in trade and other payables are amounts due to related parties which are disclosed in Note 20.

11 LOANS PAYABLE

There is a note payable to Waterton at 31 October 2014. The credit facility due to Waterton was extinguished as a result of Waterton taking ownership of Mystery Creek Resources Inc. effective 7 October 2013.

	As at 31 October 2014 $	As at 31 October 2013 $
Balance, beginning of year	-	12,582,280
Amounts advanced	10,154	-
Transaction costs	-	-
Accretion of transaction costs	-	492,708
Accrued interest	424	2,676,364
Interest paid	-	(530,941)
Repayment	-	-
Balance, current note payable	10,578	15,220,411
Forgiveness of debt	-	(15,220,411)
Less: Current portion	10,578	-
Long term portion	-	-

On 30 March 2012 and amended on 18 July 2012 and 31 December 2012, the Company entered into a USD$12,750,000 gold-backed credit facility (the "Waterton Credit Facility") with Waterton Global Value, L.P. ("Waterton"). The Waterton Credit Facility bore interest at a fixed rate of 5% per annum beginning in July 2013 and secured against the Company's assets. 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 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 99% of current prices. In connection with the Waterton Credit Facility, the Company paid Waterton a cash structuring fee of $253,121 (USD$255,000) and issued 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. In addition, the Company paid a finder's fee of $253,121 (USD$255,000) to a broker. The Company defaulted on the Waterton debts and effective 7 October 2013 Waterton took control of MCRI as settlement of the debt resulting in a gain on forgiveness of debt and forfeiture of subsidiary of $29,368,745.

During June and July 2012, Waterton loaned the Company an additional USD$1,500,000 under a separate Note Agreement (the "Waterton Note"). As part of the Waterton Note, the Company paid Waterton a two percent (2%) cash structuring fee of $29,889 (USD$30,000). The Waterton Note bore interest at 5.0% per annum and was repaid on 10 August 2012.

(Expressed in Canadian dollars)

On February 19, 2014, the Company issued a $10,154 (USD$9,250) promissory note payable to Waterton bearing interest at the rate of 6% per annum and maturing March 31, 2014. The amount of interest accrued on the note as at October 31, 2014 is $424.

12 DECOMMISSIONING LIABILITY

The decommissioning liability belongs to Mystery Creek Resources, which is no longer owned by Fire River Gold Corp (assumed by Waterton effective 7 October 2013).

	As at 31 October 2014 $	As at 31 October 2013 $
Balance, beginning of period	-	**5,603,434**
Revisions	-	**-**
Accretion	-	**93,427**
Foreign exchange adjustment	-	**167,821**
Disposal of Mystery Creek Resources	-	**(5,864,682)**
Total decommissioning liability	-	-

Reclamation and closure costs were estimated based on the Company's interpretation of current regulatory requirements as it relates to decommissioning liability of the Company's former Nixon Fork Gold Mine.

The decommissioning liability in the amount of $6,030,587 (US$6,033,000) was calculated as the net present value of estimated future net cash outflows of the reclamation and closure costs, which totaled $5,603,434 (US$5,605,676). The settlement of the obligation was to occur through 2018.

In relation to this decommissioning liability, the Company had a reclamation costs insurance policy with a cash value of US$2,067,813 and funds on deposit with the surety provider in the amount of US$828,148. The insurance policy and deposit funds went with the property and were no longer assets of the Company as of 31 October 2014.

13 SHARE CAPITAL

13.1 Authorized share capital

The Company has authorized an unlimited number of common shares with no par value. At 31 October 2014, the Company had 316,157,031 common shares outstanding (31 October 2013: 316,157,031).

(Expressed in Canadian dollars)

13.2 Shares issuances

No new shares were issued during the years ended 31 October 2014 and 31 October 2013.

13.3 Share purchase warrants

The following is a summary of the changes in the Company's share purchase warrants. There were no change during the years ended 31 October 2014 and 31 October 2013.

	Number of warrants	Weighted average exercise price $
Outstanding, 31 October 2012, 2013 and 2014	**231,635,721**	**0.10**

The following table summarizes information regarding share purchase warrants outstanding as at 31 October 2014.

Date issued	**Number of warrants**	**Exercise price $**	**Expiry date**
30 March 2012 – Warrants	8,250,000	0.23575	30 March 2015
9 August 2012 – Warrants	88,417,458	0.10	9 August 2017
9 August 2012 – Compensation options	2,080,320	0.065	9 August 2017
31 August 2012 – Warrants	16,602,709	0.10	31 August 2017
31 August 2012 – Compensation options	1,328,216	0.065	31 August 2017
19 September 2012 – Warrants	108,694,492	0.10	19 September 2017
19 September 2012 – Compensation options	6,262,526	0.065	19 September 2017
	231,635,721	**0.10**	

13.4 Stock options

The Company has established a share purchase option plan whereby the Board may from time to time grant stock options to directors, officers, employees or consultants up to 10,244,237 shares at any time. 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 last trading day preceding the grant date, less any allowable discounts that may be permitted under applicable exchange policies.

The following is a summary of the changes in the Company's stock option plan for the year ended 31 October 2014 and year ended 31 October 2013:

(Expressed in Canadian dollars)

	Year ended 31 October 2014		Year ended 31 Oct 2013	
	Number of options	**Weighted average exercise price $**	**Number of options**	**Weighted average exercise price $**
Outstanding, beginning	3,756,636	0.21	8,341,636	0.26
Granted	-		200,000	0.10
Exercised	-		-	-
Cancelled	(1,520,000)	0.28	(4,785,000)	0.29
Outstanding, end of period	**2,236,636**	**0.175**	**3,756,636**	**0.21**

No options were issued in the year ended 31 October 2014. Valuation of previous options issued was done using the Black-Scholes Option Pricing Model. The weighted average assumptions used for the calculation were:

	As at 31 October 2014 $	**As at 31 October 2013 $**
Risk free interest rate	-	**1.23%**
Expected life	-	**5.0 years**
Expected volatility	-	**89.18%**
Expected dividend per share	-	**0.00%**

The following table summarizes information regarding stock options outstanding and exercisable as at 31 October 2014.

Exercise price	**Number of options outstanding**	**Weighted-average remaining contractual life (years)**	**Weighted average exercise price $**
Options outstanding			
$0.10 - $0.19	1,936,636	2.92	0.11
$0.50 - $0.59	300,000	1.00	0.55
Total options outstanding	**2,236,636**	**2.63**	**0.175**
Options exercisable			
$0.10 - $0.19	1,936,636	2.92	0.11
$0.50 - $0.59	300,000	1.00	0.55
Total options exercisable	**2,236,636**	**2.63**	**0.175**

(Expressed in Canadian dollars)

14 SHARE-BASED PAYMENTS

Share-based payments for the options granted by the Company will be recognized over the vesting period, of which $Nil was recognized in the year ended 31 October 2014 (31 October 2013: $101,342):

A total of $Nil in the year ended 31 October 2014 (31 October 2013: $28,836) has been expensed as administration expenses and $Nil (31 October 2013: $72,506) has been expensed as exploration and evaluation expenses with a corresponding amount recorded as stock options reserve.

15 ADMINISTRATION EXPENSES

The administration expenses for the Company are broken down as follows:

	Year ended 31 October 2014 $	Year ended 31 October 2013 $
Accounting	**63,736**	**27,649**
Annual general meeting	**5,755**	**-**
Consulting and director fees	**55,240**	**175,975**
Corporate development	**-**	**16,302**
Couriers	**-**	**2,722**
Depreciation	**-**	**30,361**
Disposal of office assets	**42,465**	**-**
Filing fees	**18,485**	**20,563**
Insurance	**15,489**	**131,636**
Bank service charges	**1,478**	**1,483**
Legal	**48,292**	**33,579**
Office expenses	**2,926**	**47,865**
Penalties	**9,896**	**-**
Rent	**31,086**	**97,749**
Share-based payments	**-**	**28,836**
Shareholder relations	**436**	**60,518**
Telephone	**2,901**	**8,571**
Travel	**9,005**	**51,460**
Wages and benefits	**(1,000)**	**564,507**
Total administration expenses	**306,190**	**1,299,778**

(Expressed in Canadian dollars)

16 TAXES

16.1 Provision for income taxes

A reconciliation of income taxes at statutory rates with the reported taxes is as follows:

	As at 31 October 2014 $	As at 31 October 2013 $
Net income (loss) for the year	(306,184)	10,380,718
Expected income tax (recovery)	(80,000)	2,656,000
Different tax rates in foreign jurisdiction and change in statutory rates	1,000	(1,716,000)
Non-deductible items	2,000	10,977,000
Adjustment to prior year's provision versus statutory tax returns and expiry of non-capital losses	(1,172,000)	-
Sale of subsidiary	-	(17,707,000)
Change in unrecognized deductible temporary differences	1,249,000	5,790,000
Total income tax expense (recovery)	-	-

16.2 Temporary tax differences and expiry dates

The significant components of the Company's temporary differences, unused tax credits and unused tax losses that have not been included on the consolidated statements of financial position are as follows:

	As at 31 October 2014 $	Expiry Date Range
Property and equipment	108,000	No expiry date
Share issue costs	1,662,000	2035 to 2037
Allowable capital losses	20,770,000	No expiry date
Non-capital losses available for future periods	13,602,000	2027 to 2034

Tax attributes are subject to review, and potential adjustment, by tax authorities.

(Expressed in Canadian dollars)

17 EARNINGS (LOSS) PER SHARE

The calculation of basic and diluted earnings (loss) per share is based on the following data:

	Year ended 31 October 2014	Year ended 31 October 2013
Net income (loss) for the year	**(306,184)**	**10,380,718**
Weighted average number of shares – basic and diluted	**316,157,031**	**316,157,031**
Earnings (loss) per share, basic and diluted	**(0.00)**	**0.03**

The basic earnings (loss) per share is computed by dividing the net earnings (loss) by the weighted average number of common shares outstanding during the year. The diluted earnings (loss) per share reflects the potential dilution of common share equivalents, such as outstanding stock options and share purchase warrants, in the weighted average number of common shares outstanding during the year, if dilutive. All of the stock options and the share purchase warrants were anti-dilutive for the years ended 31 October 2014 and 31 October 2013.

18 CAPITAL RISK MANAGEMENT

The Company's objectives are to safeguard the Company's ability to continue as a going concern in order to support the Company's normal operating requirements. The Company recently satisfied the requirements of the Cease Trade Orders and management will evaluate opportunities in the marketplace for financing and mineral property acquisition.

The Company is dependent on external financing to fund its activities currently. In order to pay for general administration costs, the Company may issue new shares or debt. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so.

As at 31 October 2014, the Company's capital structure consists of the equity of the Company (Note 13). The Company is not subject to any externally imposed capital requirements. The Company does not pay dividends.

(Expressed in Canadian dollars)

19 FINANCIAL INSTRUMENTS

19.1 Categories of financial instruments

	As at 31 October 2014 $	As at 31 October 2013 $
FINANCIAL ASSETS		
FVTPL, at fair value		
Cash	115,486	12,003
Loans and receivables, at amortized cost		
Receivables	55,000	235,000
Total financial assets	170,486	247,003
FINANCIAL LIABILITIES		
Other liabilities, at amortized cost		
Trade payables	202,811	56,800
Note payable	10,578	-
Total financial liabilities	213,389	56,800

19.2 Fair value

The following table provides an analysis of the Company’s financial instruments that are measured subsequent to initial recognition at fair value, grouped into Level 1 to 3 based on the degree to which the inputs used to determine the fair value are observable.

(Expressed in Canadian dollars)

- Level 1 fair value measurements are those derived from quoted prices in active markets for identical assets or liabilities.
- Level 2 fair value measurements are those derived from inputs other than quoted prices included within Level 1, that are observable either directly or indirectly.
- Level 3 fair value measurements are those derived from valuation techniques that include inputs that are not based on observable market data. As at 31 October 2014, the Company does not have any Level 3 financial instruments.

	As at 31 October 2014 $	As at 31 October 2013 $
LEVEL 1		
Financial assets at fair value		
Cash	**115,486**	12,003
Total financial assets at fair value	**115,486**	12,003

There were no transfers between Level 1 and 2 during the year ended 31 October 2014.

19.3 Management of financial risks

The financial risk arising from the Company's operations are credit risk, liquidity risk, interest rate risk and currency risk. These risks arise from the normal course of operations and all transactions undertaken are to support the Company's ability to continue as a going concern. The risks associated with these financial instruments and the policies on how to mitigate these risks are set out below. Management manages and monitors these exposures to ensure appropriate measures are implemented on a timely and effective manner.

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 receivables. The Company manages its credit risk relating to cash by dealing only with highly-rated Canadian and United States financial institutions. As a result, credit risk is considered insignificant.

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.

Interest rate risk

The Company currently is not exposed to significant interest rate risk.

Currency risk

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 insignificant levels of cash held in US dollars.

The following table provides an indication of the Company's significant foreign currency exposures as at 31 October 2014 and 2013:

	As at 31 October 2014 US$	As at 31 October 2013 US$
Cash	2,178	1,202

20 RELATED PARTY TRANSACTIONS

The remuneration of directors and other members of key management for the year ended 31 October 2014 are as follows:

	Year ended 31 October 2014 $	Year ended 31 October 2013 $
Short-term benefits (incl. consulting & directors' fees)	28,212	406,798
Share-based payments	-	67,978
Total key management personnel compensation	28,212	474,776

Included in accounts payable and accrued liabilities is $79,569 (2013: $56,784) owing to current and former officer and directors.

(Expressed in Canadian dollars)

21 SUPPLEMENTAL CASH FLOW INFORMATION

The Company made the following cash payments for interest and income taxes:

	For the year ended 31 October 2014 $	For the year ended 31 October 2013 $
Interest paid	**44**	**530,941**
Total cash payments	**44**	**530,941**

22 APPROVAL OF THE FINANCIAL STATEMENTS

The consolidated financial statements of the Company for the year ended 31 October 2014 were approved and authorized for issue by the Board of Directors on 3 February 2015.

23 SUBSEQUENT EVENTS

The Annual General Meeting ("AGM") of the Company was held on November 6, 2014. At the AGM shareholders approved a resolution for a share consolidation of up to 100:1. The share consolidation has not yet been implemented.