

## CERTIFICATIONS

I, Anthony K. Miller, Chief Executive Officer, certify that:

1. I have reviewed this quarterly report of Fire Mountain Beverage Company;
2. Based on my knowledge, this quarterly report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this quarterly report;
3. Based on my knowledge, the financial statements, and other financial information included in this quarterly report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this quarterly report;
4. Based on my knowledge, the financial statements, and other financial information included in this quarterly report were prepared according to GAAP

December 28, 2007

/s/Anthony K. Miller

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Anthony K, Miller

Chief Executive Officer

**FIRE MOUNTAIN BEVERAGE COMPANY**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**  
**December 2007**  
**(Unaudited)**

**Note 1 – Summary of Significant Accounting Policies**

This summary of significant accounting policies of Fire Mountain Beverage Company (the “Company”) is presented to assist in understanding the Company’s consolidated financial statements. The consolidated financial statements and notes are representations of the company’s management. These accounting policies conform to generally accepted accounting principles and have been consistently applied in the preparation of the financial statements.

The Company’s books are maintained on the accrual basis.

Treasury stock is carried on the books using the cost method

For the purpose of the statement of cash flows, the Company considers all highly liquid debt instruments purchased with maturity of three months or less to be cash equivalents.

**Note 1 – Nature of Operations** – The Company was formed as a designer beverage company whose goals are to develop new products for the beverage industry, and utilize the plant’s distribution networks to distribute these products. Fire Mountain has cultivated a relationship with a well-respected bottling plant in southern California. This relationship grants the Company with a sole source solution provider that will bottle and distribute all of the company’s products. This relationship immediately provides the company with nationwide placement of these products within the bottling company’s current locations.

The Company develops markets, sell, and distributes branded beverages: The Company’s products are orientated to the health conscious consumer looking for an alternative to tap water and carbonated beverages containing high sugar and caffeine levels. The Company’s customers include single and multi-store retail operations, governmental agencies, and distributors who in turn sell to retail stores, convenience stores, schools and other outlets.

The Company believes that its products take advantage of major trends in the beverage industry. Increasingly, consumers want healthy, refreshing drinks. In fact, according to a recent survey, more than 60 percent of consumers cited taste as their primary reason for buying bottled water.



The other leading factor was safety concerns about tap water. The trend towards healthier water is exemplified by the passage of SB-19 in California (The Pupil Nutrition, Health, and Achievement Act of 2001), which prohibits the sale of carbonated beverages in elementary schools and establishes nutrient standards. As a result, schools in California, a state that accounts for almost 36% of all the bottled water consumed in the U.S., are now banning the sugared, carbonated beverages that have been the mainstay of Coca Cola(R) and Pepsi Cola(R). Fire Mountain's new products - great tasting, new zero sugar, zero caffeine zero calorie, flavored water beverages have positioned it to capture a large share of a rapidly growing market for healthy flavored waters. On September 30, 2004 Fire Mountain Beverage Company took over the business operations of Goldstone Mining Company and changes the business direction from a mining concern to a beverage company.

Goldstone Mining Company was incorporated under the laws of the state of Washington on April 24, 1947. Prior to 1955, the Company incurred expenses for exploration and development of the Goldstone Mine. All cost of acquisition, exploration and development work was discontinued. From 1955 to 1978 only administrative expenses for the required annual assessment work were incurred. These expenses were written off as they were incurred. Since 1978 only administrative expenses have been incurred and written off as they incurred.

**Basis of Consolidation** – The consolidated financial statements include the accounts of Fire Mountain Beverage Company, the Washington Corporation as the surviving parent corporation.

**Note 3- Acquisition of Partnership Interest-** On June 1, 1978 the Company transferred all of its rights, title and interest in all of its properties to the limited partnership Goldstone Mine Limited, organized under the laws of the state of Washington, in exchange for a general partnership interest in the limited partnership, which entitled the Company to 95% of the net income of the partnership. The partnership did not earn any income from the properties. It terminated on December 31, 1998 and all of its interest reverted to the Company

**Note 4- Mining Claims-** At September 30, 2004; the Company was the owner of a transmission line and water conduit right-of-way and waterpower project withdrawal consisting of 223 acres and seven un-patented lode-mining claims in the Pratt Creek Mining District, Lemhi County.

**Note 5- Investments-** Investments are stated at cost. The Company has held all cash in a money market account.

**Note 6- Loans-** The Company received its initial capital from Anthony Miller, the Company's CEO and Director, totaling \$85,000. The Company retired that debt by issuing 125,000,000 shares of 144 stock to the Company's current directors.

**Note 7- Funding-** The Company has filed a Reg. D. Rule 504 with the state of Minnesota and intend to utilize that exemption to raise capital for its operations. In December 2006 the Company did issue 24,000,000 shares to facilitate fundraising pursuant to the exemption.

**Note 8- Contingent Liabilities-** The Company is not a defendant in any legal proceedings nor is there any litigation in progress, pending or threatened against the Company.

**Note 9 – Summary of Significant Accounting Policies** (continued)  
Depreciation is provided principally on the straight -line method for financial reporting purposes at rates based on the following estimated useful lives of the assets:

Computer Hardware and software 6 years  
Machinery and equipment 5-7 years

**Note 10 – New Structure and Symbol Change** The Company (Pink Sheets: FBVG.PK /formerly FBVG) by virtue of a unanimous vote of the Board of Directors on November 4<sup>th</sup>, 2005 approved a reverse split of the Company's common stock at a ratio of one (1) share for One Hundred (100) shares. The reverse split became effective on November 21, 2005, and the Company will now be quoted under the new symbol FBVG. The public float of the Company went from 120 million shares to 1.2 million shares as a result of the reverse split.

**Comprehensive Income** – The Company had no items of "other" comprehensive income; therefore net income is equal to comprehensive income.

**Use of Estimates** – The preparation of financial statements in conformity with generally accepted accounting principles 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. Actual results could differ from those estimates.

**Recently issued accounting pronouncements** - In April 2003, FASB issued Statements of the Financial Accounting Standards No. 149 "Amendment of Statement 133 on Derivative Instruments and Hedging Activities" ("SFAS 149"). SFAS 149 amends and clarifies financial



accounting and reporting for derivative instruments, including certain derivative instruments embedded in other contracts and for hedging activities under FASB Statement No. 133 "Accounting for Derivative Instruments and Hedging Activities". SFAS 149 is generally effective for contracts entered into or modified after June 30, 2003.

In May 2003, FASB issued Statements of Financial Accounting Standards No. 150

"Accounting for Certain Financial Instruments with Characteristics of both Liabilities and

Equity" ("SFAS 150"). SFAS 150 establishes standards for how an issuer classifies and measures certain financial instruments with characteristics of both liabilities and equity.

SFAS 150 is effective for financial instruments entered into or modified after May 31, 2003.

In December 2003, the Financial Accounting Standards Board (FASB) issued a revised Interpretation No. 46, "Consolidation of Variable Interest Entities" (FIN 46R). FIN 46R addresses consolidation by business enterprises of variable interest entities and significant changes the consolidation application of consolidation policies to variable interest entities and, thus improves comparability between enterprises engaged in similar activities when those activities are conducted through variable interest entities. The Company does not hold any variable interest entities.

**FIRE MOUNTAIN BEVERAGE COMPANY**  
(A Washington Corporation)  
**STATEMENT OF OPERATIONS AND RETAINED EARNINGS**  
**FOR THE QUARTER ENDED DECEMBER 2007**  
Unaudited

	<b>2006</b>	<b>2007</b>
REVENUE		
Sales	250,000	690,023
Total Revenue	250,000	690,023
COST OF SALES	450,000	368,517
GROSS PROFIT	200,000	321,506
EXPENSES		
Office expense	27,900	3,425
Professional fees	35,000	4,500
Depreciation/Ammortization		11,185
Consultants	12,000	1,900
Plant Lease		50,246
Marketing/Advertising/Branding	125,000	6,500
Insurance	15,000	17,000
Office Equipment	9,000	
Industry Fees	430	430
Salary & Wages		113,043
Mfgr Expense		24,446
Travel/Meals/Entertainment	19,000	8,168
Total Expense	243,330	240,843
NET INCOME	443,330	80,663
ACCUMULATED DEFICIT, Beginning of Year	190,083	(445,725)
RETAINED EARNINGS, End of Year	633,413	(365,062)
EARNINGS PER SHARE		

**FIRE MOUNTAIN BEVERAGE COMPANY**

(A Washington Corporation)

**BALANCE SHEET**

12/31/2007

Unaudited

	2006	2007
<b>ASSETS</b>		
<b>CURRENT ASSETS</b>		
Cash	51,000	94,625
Accounts Receivable	250,000	396,653
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Total Current Assets	301,000	491,278
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<b>PROPERTY AND EQUIPMENT</b>	9,000	-
	<hr/>	<hr/>
<b>OTHER ASSETS</b>		
Goodwill	659,135	659,135
Organization Cost	59,000	47,000
Office Furniture		12,000
Accumulated Ammortization		(43,942)
Accumulated Depreciation		(800)
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Total Other Assets	718,135	673,393
	<hr/>	<hr/>
Total Assets	1,028,135	1,164,671
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<b>LIABILITIES AND SHAREHOLDERS' EQUITY</b>		
<b>CURRENT LIABILITIES</b>		
Loans Payable to Officer/Shareholder	-	-
	<hr/>	<hr/>
Total Liabilities	-	-
<b>STOCKHOLDERS' EQUITY</b>		
Common stock, par value \$.0001 per share:		
Authorized 5,000,000,000 shares issued	26,797	
and outstanding 462,119,608 shares		46,212
Paid in Capital	613,873	818,873
Discount Stock	664,648	664,648
Treasury Stock: 144,218 shares in 2004, 144,218 shares in 2003, at cost	-	
Retained Earnings	663,413	(365,062)
	<hr/>	<hr/>
Total Shareholders' Equity	641,905	1,164,671
	<hr/>	<hr/>
Total Liabilities and Shareholders' Equity	641,905	1,164,671
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**FIRE MOUNTAIN BEVERAGE COMPANY**  
(A Washington Corporation)  
**STATEMENT OF CASH FLOWS**  
FOR THE QUARTER ENDED DECEMBER 2007  
Unaudited

	<b>2006</b>	<b>2007</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>		
Net Income	551,363	80,663
Adjustments:COG	-	-
Increase in Accounts Receivable	500,000	120,000
	<u>450,000</u>	<u>202,670</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>		
Purchase of Equipment	9,000	(65,000)
Santa Ana Plant	75,000	(92,038)
	<u>84,000</u>	<u>(157,038)</u>
<b>CASH FLOW FROM FINANCING ACTIVITIES:</b>		
Sale of Common Stock	599,083	-
Increase in Loans Payable Officer/Shareholder	50,000	-
	<u>649,083</u>	<u>-</u>
<b>NET INCREASE IN CASH</b>	<b>115,083</b>	<b>45,632</b>
CASH, Beginning of Year	<u>75,000</u>	<u>51,000</u>
CASH, End of Period	<u><u>190,083</u></u>	<u><u>96,632</u></u>
Accumulated Deficit	663,413	-
Total Shareholders Equity	641,905	1,164,671
Total Liabilities and Stockholders Equity	641,905	1,164,671

## STATEMENT OF SHAREHOLDERS EQUITY

Fire Mountain Beverage Company

31-Dec-07

	Common Stock Shares	Amount	Additional Paid-in Capital	Retained Earnings Accumulated Deficit	Shareholder Equity Deficiency
<b>Balance at</b> 30-Sep-07	462,119,608	46,212	818,873	(445,725)	1,084,008
Net Income		80,663		80,663	
Common Stock issued to Investors	60,000,000	150,636			
Common Stock issued pursuant to Private Placement					
Common Stock issued for Promotions	-				
Common stock after Reverse Split					
<b>Balance at</b> <b>31-Dec-07</b>	462,119,608	46,212	818,873	(365,062)	1,164,671