FIREBIRD resources inc.

Management's Discussion and Analysis

of the Financial Condition and Results of Operations

For the three months ended July 31, 2012 and 2011

September 28, 2012

This management discussion and analysis ("MD&A") has been prepared based on information available to Firebird Resources Inc. ("Firebird" or the "Company") as at September 28, 2012. The MD&A of the operating results and financial condition of the Company for the three months ended July 31, 2012, should be read in conjunction with the Company's unaudited interim consolidated financial statements and the related notes as at and for the three months ended July 31, 2012 and 2011 (the "Financial Statements") and the Company's audited consolidated financial statements and the related notes for the years ended April 30, 2012 and 2011, all of which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). Additional information relating to the Company may be found under its profile on SEDAR at www.sedar.com.

MANAGEMENT'S ASSESSMENT OF INTERNAL CONTROL OVER FINANCIAL REPORTING ("ICFR")

Management is responsible for establishing and maintaining adequate internal control over the Company's financial reporting. The internal control system was designed to provide reasonable assurance to the Company's management regarding the preparation and presentation of the financial statements.

The inherent limitations in all control systems are such that they can provide only reasonable, not absolute, assurance that all control issues and instances of fraud or error, if any have been detected. Therefore, no matter how well designed, ICFR has inherent limitations and can provide only reasonable assurance with respect to financial statement preparation and may not prevent and detect all misstatements.

As the Company is a Venture Issuer (as defined under under National Instrument 52-109 *Certification of Disclosure in Issuers' Annual and Interim Filings*) ("NI 52-109"), the Company and Management are not required to include representations relating to the establishment and/or maintenance of disclosure controls and procedures ("DC&P) and/or ICFR, as defined in NI 52-109.

CAUTIONARY NOTE

This document contains or refers to forward-looking information. Such forward-looking information includes, among other things, statements regarding targets, estimates and/or assumptions in respect of future production, capital costs and future economic, market and other conditions, and is based on current expectations that involve a number of business risks and uncertainties. Factors that could cause actual results to differ materially from any forward-looking statement include, but are not limited to: the grade and recovery of ore which is mined varying from estimates; exploration and development costs varying significantly from estimates; inflation; fluctuations in commodity prices; delays in the development of the any project caused by unavailability of equipment, labour or supplies, climatic conditions or otherwise; termination or revision of any debt financing; failure to raise additional funds required to finance the completion of a project; and other factors. Forward-looking statements are subject to significant risks and uncertainties and other factors that could cause actual results to differ materially from expected results. Readers should not place undue reliance on forward-looking statements. These forward-looking statements are made as of the date hereof and we assume no responsibility to update them or revise them to reflect new events or circumstances, except as required by law. See the section entitled ***Risks and uncertainties***.

Nature of operations and going concern

The Company was incorporated under the Canada Business Corporations Act and is listed on the TSX Venture Exchange. On November 4, 2009, the Company changed its name from Falcon Ventures International Inc. to Firebird Resources Inc. The Company is an exploration-stage company that is in the process of exploring its mineral properties located in Canada and the United States of America and has not yet determined whether these properties contain reserves that are economically recoverable. The Company's registered and head office is located at 120 Adelaide Street West, Suite 2400, Toronto, Ontario, M5H 1T1.

The Financial Statements have been prepared on a going-concern basis, which assumes that the Company will be able to realize its assets and discharge its liabilities in the normal course of business. As at July 31, 2012, the Company has not generated any revenues from operations, has an accumulated deficit of $22,389,765 (April 30, 2012 - $22,182,819) and has a working capital deficit of $268,553 (April 30, 2012 - $68,754). The continued operations of the Company are dependent on its ability to generate future cash flows or obtain additional financing. Management is of the opinion that it has sufficient working capital to meet the Company's liabilities and commitments as they become due, although there is a risk that additional financing may be required but will not be available on a timely basis or on terms acceptable to the Company. These unaudited interim consolidated financial statements do not reflect any adjustments that may be necessary if the Company is unable to continue as a going concern.

The Financial Statements were approved and authorized for issuance by the Company's Board of Directors on September 27, 2012.

Developments during and subsequent to the three months ended July 31, 2012

On July 18, 2012, the Company received a payment of $50,000 from GTO Resources Inc. in regard to the GTO Loan (see note 8 to the Financial Statements). The payment has been applied firstly to outstanding accrued interest of $42,749 with the remainder applied to the outstanding principal.

Spin-out transaction

The Spin-out transaction has been disclosed in detail in previous MD&A's. The reader is referred to note 8 of the Financial Statements for details of the transaction.

Results of operations

During the three months ended July 31, 2012, the Company incurred net losses of $206,946 compared to a net loss for the three months ended July 31, 2011 of $672,482. The period-over-period decrease in net loss is primarily attributable to reduced exploration costs. The Company did not incur any non-cash share-based compensation during the three months ended July 31, 2011 compared to $270,968 incurred over the comparative period.

Exploration and evaluation expenditures

During the three months ended July 31, 2012, the Company incurred exploration and evaluation expenditures of $113,146 (2011 - $616,498). Details of the expenditures by property are noted below.

General and administrative

During the three months ended July 31, 2012, the Company incurred general and administrative costs of $39,853 (2011 - $65,963). Costs for the period were generally less than the comparative period due to management's efforts to conserve cash and reduce expenses.

Management fees

During the three months ended July 31, 2012, the Company incurred management fees of $50,538 (2011 - $80,750). The current trend for management fees will be consistent on a go-forward basis and are lower than the comparative period as the Company has entered into a contract with RG Mining Investments Inc. ("RGMI"), whereby RGMI provides management (Chief Financial Officer and Corporate Secretary) and administrative services to the Company (see also ***Transactions with related parties*** section of this MD&A).

Professional fees

During the three months ended July 31, 2012, the Company incurred professional fees of $11,067 (2011 - $17,000). Professional fees were slightly lower period-over-period as the Company incurred lower legal fees during the period.

Share-based compensation

During the three months ended July 31, 2012, the Company did not incur any share-based compensation (2011 - $270,968). The nature of the compensation expense for the three-month period ended July 31, 2011, is related to vested, but not necessarily exercised, options.

Project expenditures

Pageland property, South Carolina, USA

	Cumulative Expenditures to 30-Apr-11 $	Expenditures Fiscal 2012 $	Cumulative Expenditures to 30-Apr-12 $	Expenditures Q1 2013 $	Cumulative Expenditures to 31-Jul-12 $
Acquisition Costs:					
Option costs	5,000,000	848,200	5,848,200	-	5,848,200
	5,000,000	848,200	5,848,200	-	5,848,200
Exploration Costs:					
General exploration	180,570	1,112,428	1,292,998	113,146	1,406,144
	180,570	1,112,428	1,292,998	113,146	1,406,144
	5,180,570	**1,960,628**	**7,141,198**	**113,146**	**7,254,344**

On February 17, 2011, the Company completed the share issuance portion of its first option to acquire a 70% interest in the specified mineral leases covering the Buzzard-Jefferson-Belk properties located in South Carolina, USA by issuing 9,056,603 common shares with a fair value of $4,800,000. To complete the acquisition of its 70% interest in the specified properties, the Company paid an initial fee of $200,000 to Pageland, paid an additional $500,000 to Pageland on June 30, 2011, and incurred $495,000 of exploration expenditures all pursuant to the amended terms of its option agreement.

Firebird had the ability to acquire the remaining 30% interest by making a cash payment to Pageland in the amount of $1,800,000 on or before October 31, 2012. Firebird also agreed to reimburse Pageland for certain costs incurred by Pageland related to the preparation of the report and for past exploration and development expenditures.

Mountain of Gold property, Ontario, Canada

	Cumulative Expenditures to 30-Apr-11	**Expenditures Fiscal 2012**	**Cumulative Expenditures to 30-Apr-12**	**Expenditures Q1 2013**	**Cumulative Expenditures to 31-Jul-12**
	$	$	$	$	$
Acquisition Costs:					
Option payment received	1,807	(25,000)	(23,193)	-	(23,193)
	1,807	(25,000)	(23,193)	-	(23,193)
Exploration Costs:					
General exploration	-	-	-	-	-
	-	-	-	-	-
	1,807	**(25,000)**	**(23,193)**	**-**	**(23,193)**

On December 22, 2011, the Company announced that it had signed a property option agreement with each of Wedona Resources Inc., an arms-length private corporation and Clydesdale Resources Inc. (collectively the "Optionees"), a public company (together, the "Agreements"), whereby the Optionees each can earn a 50% interest in Firebird's Mountain of Gold property.

Pursuant the Agreements, each of the Optionees can earn a 50% interest in the property by incurring $250,000 in exploration expenditures and by paying to Firebird $125,000 in cash (or in Clydesdale Resources Inc.'s case, capital stock of equivalent value) over a 3-year period until December 31, 2013, of which $25,000 has been received by the Company from Clydesdale Resources Inc. These amounts are to be expended no later than December 31, 2014.

The Company shall have the option (the "Buyback Option") to purchase from the Optionees a 35% working interest in the property (being 70% of its working interest), on the condition that the purchase price under the Buyback Option (if exercised in full) shall be equal to two hundred fifty percent (250%) of the total expenditures that each of the Optionees has incurred on the project as at the time of purchase. Any additional working interest acquired by the Company under the Buyback Option shall be on a basis proportionate with each of the Optionees working interest at the time of exercise. Further, the Buyback Option may only be exercised in increments of 10%, in which case the purchase price shall be prorated accordingly. The Buyback Option shall expire December 31, 2015.

Summary of quarterly results

	Quarter ended July 31, 2012 $	Quarter ended April 30, 2012 $	Quarter ended January 31, 2012 $	Quarter ended October 31, 2011 $
Net loss	(206,946)	(595,375)	(428,926)	(1,849,415)
Basic and diluted net loss per common share	(0.003)	(0.061)	(0.005)	0.026
Total assets	739,220	825,860	1,102,593	1,776,822
Long-term debt	119,356	107,975	118,655	110,952
Shareholders' equity	260,750	467,695	660,847	1,108,520
Cash dividends declared per common share	-	-	-	-

	Quarter ended July 31, 2011 $	Quarter ended April 30, 2011 $	Quarter ended January 31, 2011 $	Quarter ended October 31, 2010 $
Net loss	(672,482)	(1,411,077)	(159,894)	(56,353)
Basic and diluted net loss per common share	(0.010)	(0.030)	-	-
Total assets	1,235,829	192,771	517,309	587,258
Long-term debt	99,397	87,842	76,288	41,624
Shareholders' equity (deficit)	934,868	(187,945)	301,912	469,806
Cash dividends declared per common share	-	-	-	-

The Company's operations are not generally subject to seasonal variations. The timing of exploration activities is influenced primarily by the availability of funds and the identification of suitable exploration targets, however, due to either their location or nature the exploration of some properties may be restricted during certain times of the year due to climatic conditions.

Selected quarterly versus annual information

	July 31, 2012	April 30, 2012	July 31, 2011
	3 months	12 months	12 months
	$	$	$
Consolidated statements of operations			
Total operating expenses	**(212,906)**	(3,478,450)	(6,821,510)
Net loss and comprehensive net loss	**(206,946)**	(3,546,198)	(6,861,647)
Basic and diluted loss per common share	**(0.003)**	(0.05)	(0.14)
Consolidated statements of cash flow			
Cash used in operations	**(59,780)**	(2,368,543)	(596,149)
Cash earned (used) in investing activities	**7,251**	(700,000)	-
Cash from financing activities	**-**	3,024,134	391,000
Increase (decrease) in cash	**(52,528)**	(44,409)	(205,149)
Consolidated statements of financial position			
Cash	**81,397**	133,925	178,334
Total assets	**739,220**	825,860	192,771
Shareholders' equity (deficit)	**260,750**	467,696	(187,945)
Average number of common shares outstanding	**80,610,417**	71,004,420	47,782,539

Liquidity and capital resources

As at July 31, 2012, the Company had cash of $81,397 and a working capital deficiency of $268,553 compared to cash of $133,925 and a working capital deficiency of $68,754 at April 30, 2012. The Company did not raise any funds during the three months ended July 31, 2012. Cash used for operating activities totalled $59,779 and cash received in investing activities (loan to GTO Resources) totalled $7,251. The Company's ability to finance its operating expenses and expenditures on its mineral properties is dependent upon its ability to raise debt or equity financing. Although there can be no assurance that the Company will be able to raise sufficient funds to continue its operations and activities management believes that it has the ability to raise sufficient funds to meet the Company's future requirements.

As at July 31, 2012, the Company has an outstanding long-term convertible debenture with a face value of $255,000 and convertible into common shares at a rate of $0.10 per common share, of which $119,356 is recorded as a convertible debenture liability with an unaccreted discount of $135,644 which will be accreted over the remaining life of the debenture. As at July 31, 2012, no amounts of the convertible debenture have been converted into common shares.

Adoption of new and revised standards and interpretations

The IASB issued a number of new and revised International Accounting Standards, International Financial Reporting Standards, amendments and related interpretations which are effective for the Company's financial year beginning on or after May 1, 2011, with a transaction date of May 1, 2010. For the purpose of preparing and presenting the financial information for the relevant periods, the Company has consistently adopted all these new standards for the relevant reporting periods.

At the date of approval and authorization for issuance of the Financial Statements, the IASB and IFRIC has issued the following new and revised Standards and Interpretations which are not yet effective for the relevant reporting periods.

- **IAS 1 *'Presentation of Financial Statements'*** – effective for annual periods beginning on or after July 1, 2012 which requires companies to group together items within other comprehensive income that may be reclassified to statement of income. The amendments also reaffirm existing requirements that items in OCI and profit and loss should be presented as either a single statement or two separate statements.

- **IFRS 9 *'Financial Instruments: Classification and Measurement'*** – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, introduces new requirements for the classification and measurement of financial instruments.

- **IFRS 10 '*Consolidated Financial Statements'*** – effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, establishes principles for the presentation and preparation of consolidated financial statements when an entity controls one or more other entities.

- **IFRS 11 '*Joint Arrangements'*** - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides for a more realistic reflection of joint arrangements by focusing on the rights and obligations of the arrangement, rather than its legal form.

- **IFRS 12 '*Disclosure of Interests in Other Entities'*** - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, requires the disclosure of information that enables users of financial statements to evaluate the nature of, and risks associated with its interests in other entities and the effects of those interests on its financial position, financial performance and cash flows.

- **IFRS 13 '*Fair Value Measurement'*** - effective for annual periods beginning on or after January 1, 2013, with early adoption permitted, provides the guidance on the measurement of fair value and related disclosures through a fair value hierarchy.

The Company has not early adopted these standards, amendments and interpretations, however the Company is currently assessing what impact the application of these standards or amendments will have on the consolidated financial statements of the Company.

Other accounting standards or amendments to existing accounting standards that have been issued but have future effective dates are either not applicable or are not expected to have significant impact on the Company's financial statements.

Risks and uncertainties

Operational

The operations of the Company are speculative due to the high-risk nature of its business, which is the acquisition, financing, exploration and development of mining properties. The risks below are not the only ones facing the Company. Additional risks not currently known to the Company, or that the Company currently deems immaterial, may also impair the Company's operations. If any of the following risks actually occur, the Company's business, financial condition and operating results could be adversely affected.

Exploration and development risk

Firebird's business of exploring mineral resources involves a variety of operational, financial and regulatory risks that are typical in the mining industry. The Company attempts to mitigate these risks and minimize their effect on its financial performance, but there is no guarantee that the Company will be profitable in the future, and Firebird's common shares should be considered speculative.

Financing risk

There can be no assurance that any funding required by the Company will become available, and, if so, that it will be offered on reasonable terms or that the Company will be able to secure such funding through third party financing or cost sharing arrangements. Furthermore, there is no assurance that the Company will be able to secure new mineral properties or projects or that they can be secured on competitive terms

Segregation of duties

Segregation of duties is a basic, key internal control and one of the most difficult to achieve in a small company. It is used to ensure that errors or irregularities are prevented or detected on a timely basis by employees in the normal course of business. Due to the Company's small size and limited resources, a complete segregation of duties within the Company's accounting group cannot be fully achieved. The result is that the Company is highly reliant on the performance of mitigating procedures during the process of closing its financial statements in order to ensure the financial statements are presented fairly in all material respects. Management will identify and hire additional accounting resources where cost effective and when required. Where it is not cost effective to obtain additional accounting resources, management will review existing mitigating controls and, if appropriate, implement changes to its internal control processes whereby more effective mitigating controls will be adopted.

Outstanding share data

As at September 28, 2012, the Company had 81,010,417 common shares outstanding, 4,500,000 options outstanding and 9,326,500 warrants outstanding.

General

The Company also discloses information related to its activities on SEDAR at www.sedar.com and on its website www.firebirdres.com.