

**EARLY WARNING REPORT PURSUANT TO
NATIONAL INSTRUMENT 62-103**

RE: WEDGE ENERGY INTERNATIONAL INC. (the “Issuer”)

1. The name and address of the offeror:

Firebird Global Master Fund, Ltd. (“FGMF”)

c/o

Trident Trust Company

1 Capital Place

P.O. Box 847

Grand Cayman

Cayman Islands

2. The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities of which the offeror acquired ownership or control in the transaction or occurrence giving rise to the obligation to file the news release, and whether it was ownership or control that was acquired in those circumstances:

Undur Tolgoi Minerals Inc. (“UTMI”), a joint actor of FGMF, has entered into an arrangement agreement (the “**Arrangement Agreement**”) with the Issuer, whereby the Issuer will, among other things, purchase all of the issued and outstanding shares of UTMI, which the shareholders of UTMI, namely Firebird Mongolia Fund, Ltd. (“**FMF**”) and SMDD Capital Ltd. (“**SMDD**”), have agreed to tender in exchange for common shares of the Issuer.

Upon the completion of the arrangement, FMF will receive 10,187,580 common shares and SMDD will receive 9,788,067 common shares of the Issuer. Prior to the completion of the concurrent, non-brokered private placement of a minimum of \$2,500,000 announced by the Issuer (the “**Private Placement**”), these common shares will represent approximately 90.03% of the 22,187,867 common shares of the Issuer expected to be issued and outstanding at that time. Furthermore, SMDD will receive a right to a bonus payable in form of 4,000,000 common shares of the Issuer upon satisfaction of certain conditions (the “**Bonus Shares**”) in exchange for the equivalent right it currently holds in UTMI.

3. The designation and number or principal amount of securities and the offeror’s securityholding percentage in the class of securities immediately after the transaction or occurrence giving rise to the obligation to file the news release:

The aggregate number of securities of the Issuer held by FGMF and its joint actor, namely Firebird Global Master Fund II, Ltd. (“**FGMF2**”) is (i) 9,981,748 common shares, (ii) a CDN\$197,000 principal amount note convertible into an aggregate of

19,700,000 common shares of the Issuer at a conversion price of \$0.01 per common share (the “**\$197,000 Note**”) and a CDN\$253,000 principal amount note convertible into an aggregate of 25,300,000 common shares of the Issuer at a conversion price of \$0.01 per common share (the “**\$253,000 Note**” and collectively with the \$197,000 Note, the “**January Notes**”) and (iii) a CDN\$220,000 principal amount note convertible into an aggregate of 4,400,000 common shares of the Issuer at a conversion price of \$0.05 per common share (the “**\$220,000 Note**”) and a CDN\$180,000 principal amount note convertible into an aggregate of 3,600,000 common shares of the Issuer at a conversion price of \$0.05 per common share (the “**\$180,000 Note**” and collectively with the \$220,000 Note, the “**July Notes**”). Out of the 9,981,748 common shares, 5,647,848 common shares are held by FGMF and 4,333,900 common shares are held by FGMF2. FGMF holds the \$197,000 Note and \$220,000 Note, whereas FGMF2 holds the \$253,000 Note and \$180,000 Note. The 9,981,748 common shares held by FGMF and FGMF2 represent approximately 22.56% of the current outstanding common shares of the Issuer.

It is contemplated that the January Notes and the July Notes will be redeemed as part of the arrangement.

Assuming (i) the completion of the arrangement and (ii) the issuance of the Bonus Shares, the total securityholding of FGMF and its joint actors in the share capital of the Issuer would be 24,474,734 common shares, representing approximately 93.46% of the common shares of the Issuer expected to be issued and outstanding upon the completion of the arrangement, but prior to the Private Placement, including however, the issuance of the Bonus Shares. Out of the 24,474,734 common shares, 282,392 common shares would be held by FGMF, 216,695 common shares would be held by FGMF2, 10,187,580 common shares would be held by FMF and 13,788,067 common shares would be held by SMDD.

4. The designation and number or principal amount of securities and the percentage of outstanding securities of the class of securities referred to above over which:

- (a) *the offeror, either alone or together with any joint actors, has ownership and control:*

See item 3 above.

- (b) *the offeror, either alone or together with any joint actors, has ownership but control is held by other persons or companies other than the offeror or any joint actor:*

N/A

- (c) *the offeror, either alone or together with any joint actors, has exclusive or shared control but does not have ownership:*

N/A

- 5. The name of the market in which the transaction or occurrence that gave rise to the news release took place:**

N/A

- 6. The value, in Canadian dollars, of any consideration offered per security if the offeror acquired ownership of a security in the transaction or occurrence giving rise to the obligation to file a news release:**

N/A

- 7. The purpose of the offeror and any joint actors in effecting the transaction or occurrence that gave rise to the news release, including any future intention to acquire ownership of, or control over, additional securities of the reporting issuer:**

FMF and possibly other joint actors or FGMF intend to participate in the Private Placement.

- 8. The general nature and material terms of any agreement, other than lending arrangements, with respect to securities of the reporting issuer entered into by the offeror, or any joint actor, and the issuer of the securities or any other entity in connection with the transaction or occurrence giving rise to the news release, including agreements with respect to the acquisition, holding disposition or voting of any of the securities:**

Please refer to the Issuer's August 22, 2011 press release for details of the Arrangement Agreement.

- 9. The names of any joint actors in connection with the disclosure required by Appendix E of National Instrument 62-103:**

Firebird Global Master Fund II, Ltd.
Undur Tolgoi Minerals Inc.
Firebird Mongolia Fund, Ltd.
SMDD Capital Ltd.

It is expected that following the completion of the arrangement, UTMI and SMDD will no longer be considered joint actors of FGMF.

- 10. In the case of a transaction or occurrence that did not take place on a stock exchange or other market that represents a published market for the securities, including an issuance from treasury, the nature and value, in Canadian dollars, of the consideration paid by the offeror:**

N/A

11. If applicable, a description of any change in any material fact set out in a previous report by the offeror under the early warning requirements:

See item 2 above.

12. If applicable, a description of the exemption from securities legislation being relied on by the offeror and the fact supporting that reliance.

N/A

13. Declaration

The filing of this report is not an admission that an entity named in this report owns or controls any described securities or is a joint actor with anyone else.

DATED this 22nd day of August, 2011.

FIREBIRD GLOBAL MASTER FUND, LTD.

Per: (s) Harvey Sawikin
Name: Harvey Sawikin
Title: Director