STARFIRE

MINERALS INC

Quarterly Report July 31, 2011

Management Discussion and Analysis of
Results of Operations and Financial Condition
for the quarter ended July 31, 2011

MANAGEMENT DISCUSSION AND ANALYSIS

Business Overview

The following Management's Discussion and Analysis (MD&A) of Starfire Minerals Inc. (the "Company") is for the quarter ended July 31, 2011. This information is current to September 26, 2011. We refer also to quarter end MD&A dated April 30th, 2011 filed with Sedar June 30th, 2011. The Company's activities for the 3rd quarter were limited. We have been unable to finalizing memorandum of understanding with Liaoning Eden Venture Investments Inc. and Liaoning group to jointly explore and develop Starfire's Porphyry Pearl property. We refer to news release April 18, 2011 on Sedar advising the signing of a joint venture agreement with the Liaoning Group. We have thus far experienced extended delays in finalizing a joint venture arrangement with the Liaoning group and are in the process to terminate letter of agreement executed April 7, 2011.

The Company has reviewed its holdings of various properties located in the Provinces of Ontario and British Columbia. The Company while continuing to consider further exploration of selective properties is presently concentrating on the Porphyry Pearl property with some minor exploration on property in Ontario.

While the present Investor/Market climate dictates what exploration programs should be undertaken as stated we will concentrate on efforts that are subject to work commitments and favourable prior exploration reports, principally the Porphyry Pearl property in British Columbia

We have completed further exploratory work on our Porphyry Pearl property and refer to our news releases dated August 6, 2009, August 27, 2009, September 15, 2009 and November 29, 2009. There was a requirement under the option agreement for further exploration work with a minimum of $1,720,000 in expenditures by February 21, 2012. As announced in our news release August 16, 2011 we have completed an amendment to the Porphyry Pearl Property option agreement that in lieu of the requirement to expend the $1,720,000 in property expenditures, the Company instead paid $200,000 cash to the owner of the property and thus have now acquired a 100% interest in the Porphyry Pearl property.

We refer to SEDAR, (www.sedar.com) where technical reports for the Langmuir South and Porphyry Pearl properties are posted. We refer to our October 31, 2010 annual financial statement wherein are described details regarding options or ownership of the various properties and details of those properties which were written down.

While we will be commenting on various aspects of the Company in this report we remind the reader of the detailed news releases posted with SEDAR at www.sedar.com.

Listing Status

The Company is listed on the TSX Venture Exchange in Canada under the ticker symbol SFR. The Company has also been inter-listed on the Berlin, Frankfurt and Stuttgart Stock Exchanges in Germany and began trading in late January 2005 under the symbol WKN 784-574. This listing was established to facilitate trading by the Company's European investors.

Selected Annual Information			
	2010	**2009**	**2008**
Interest & Bank Charges	368	724	741
Consulting			
Cash	259,110	273,667	364,916
Stock Based Options – Compensation	-	64,083	-
Office and Miscellaneous	167,101	245,542	352,942
Printing and Rent	97,200	97,200	103,496
Investors Relationship Fees		37,473	69,085
Filing costs, Transfer Agent and Shareholder Reporting	-	-	-
Professional Fees	122,811	141,593	317,169
Renunciation Tax (note 5)	-	630	59,854
Mineral Property Write-down/off	113,074	1,682,068	353,495
Loss on mineral Property settlement	-	135,000	-
Income Tax Recovery	-	(226,800)	(438,872)
Net Loss for Year	746,556	2,446,738	1,048,486
Loss Per Share	($0.01)	($0.03)	($0.01)
Due to (from) related parties	810,337	150,074	-
Shareholder Equity	3,592,224	4,310,780	6,611,235

Results of Operations for 12 months ended October 31, 2010

The following brief discussion should be read in conjunction with the audited financial statement and related notes as at October 31, 2010. Further financial information regarding the audited financial statements for the year ended October 31, 2010 and October 31, 2009 are available at www.sedar.com.

The Company incurred a net loss before income tax of $746,556 for the year ending October 31, 2010 ($0.01 per share) compared with a net loss of $2,446,738 for the year ending October 31, 2009 ($0.03per share). The loss included professional fees, cash expenditures, mineral properties write off and general operating costs associated with property exploration. The Mineral Properties written off totaled $113,074.

Selected Quarterly Results				
3 months ended				
	July 31, 2011	April 30, 2011	Jan 31, 2011	October 31, 2010
Interest and other income	3	15,189	0	15,606
Operating Expenses	145,210	146,709	159,896	192,321
Net Loss	145,207	131,520	159,896	289,787
Loss per Share	$0.01	$0.01	$0.01	$0.01

Selected Quarterly Results (continued)				
3 months ended				
	July 31, 2010	April 30, 2010	Jan 31, 2010	October 31, 2009
Interest and other income	-	-	-	3
Operating Expenses	168,510	141,499	146,760	154,789
Net Loss	168,510	141,499	146,760	1,971,854
Loss per Share	$0.01	$0.01	$0.01	$0.00

Results of Operations for 3 months ended July 31, 2011

The following brief discussion should be read in conjunction with the financial statement and related notes as at July 31, 2011.

The Company incurred a net loss before income tax of 145,207 compared with a net loss of 168,510 for the quarter ended July 31, 2010. The operating expenses totaling $145,210 includes professional fees, travel, promotion, property management and consulting fees expensed for the quarter.

Results of Operations for 3 months ended April 30, 2011

The following brief discussion should be read in conjunction with the financial statement and related notes as at April 30, 2011

The Company incurred a net loss before income tax of $131,520 compared with a net loss of $141,499 for the quarter ended April 30, 2010. The operating expenses totaling $146,709 includes professional fees, travel, promotion, property management and consulting fees expensed for quarter

Results of Operations for 3 months ended January 31, 2011

The following brief discussion should be read in conjunction with the financial statement and related notes as at January 31, 2011

The Company incurred a net loss before income tax of $159,896 compared with a net loss of $146,760 for the quarter ended January 31, 2010. The operating expenses totaling $159,896 includes professional fees, travel, promotion, property management and consulting fees expensed for quarter

Results of Operations for 3 months ended October 31, 2010

The following brief discussion should read in conjunction with the financial statement and related notes as at October 31, 2010

The loss for the three months ended October 31, 2010 was $289,787 compared to loss of $1,971,854 in three months ended October 31, 2009. The operating expenses totaling $192,321 includes professional fees, travel, promotion, property management and consulting fees expensed for quarter. The Company wrote down $113,074 of mineral properties as compared to $1,682,068 in prior year.

Liquidity and Capital Resources

The Company has previously been successful in raising capital required for the acquisition of new properties and the ongoing exploration and development of the Company's current property holdings.

The Company has historically relied on equity financing to conduct exploration programs on its mineral properties and to pay administrative and overhead expenses. Presently the Company does not have any cash flow from operations. The Company also receives cash flow by way of continued cash advances by shareholder support.

The Company as at October 31, 2010 has received shareholders advances of $302,000. From November 1, 2010 to July 31, 2011 the Company has received shareholders and related parties advances of $494,000 with a balance of $696,500 owing to the shareholders as at July 31, 2011. The Company as also arranged a Bank loan with a balance as at May 31, 2011 of $300,000.

Having said the forgoing there can be no assurance the Company will raise all the capital required.

RISK MANAGEMENT

The Company is exposed in varying degrees to a variety of financial instrument related risks.

Credit Risk

Credit risk is the risk that one party to a financial instrument will fail to discharge an obligation and cause the other party to incur a financial loss. The Company's primary exposure to credit risk is on its bank accounts. The Company's bank accounts are held with a major bank in Canada. As all of the Company's cash is held by one bank in Canada, there is a concentration of credit risk. This risk is managed by using a major bank that is a high credit quality financial institution as determined by rating agencies.

Foreign Exchange Risk

Foreign exchange risk is the risk that the Company will be subject to foreign currency fluctuations in satisfying obligations related to its foreign activities. The Company operates primary in Canada and therefore is not exposed to foreign exchange risk arising from transactions denominated in a foreign currency.

Liquidity Risk

Liquidity Risk arises through the excess of financial obligations over available financial assets due at any point in time. The Company's objective in managing liquidity risk is to maintain sufficient readily available reserves in order to meet its liquidity requirements at any point in time. The Company also achieves this by maintaining sufficient cash, banking facilities and operating capital support by way of Shareholder advances.

Outstanding Share Data

The weighted average number of common shares for the fiscal year 2010 was 84,866,963.
Shares outstanding as at June 16, 2011 were 85,737,100. Outstanding options as at June 16, 2011 were 5,380,000. Outstanding warrants as at March 30, 2011 were 3,600,000.

Mineral Properties

Mineral properties are summarized in the financial statements and described in detail on our web site.

The Company entered into an option to earn a 100% interest in the **Stobie Lake Uranium Property** in Grigg and Stobie Townships, northeast of Sudbury, Ontario. The Company had exercised its option by issuing 400,000 shares of common stock as arranged under the initial agreement and owned a 100% interest in the property. The Company made the decision to abandon this property.

The Company has retained a 100% interest in the **Langmuir Township Property in Timmins, Ontario**. The Company commenced drilling in the spring of 2006 (see our news release of April 18, 2006) and favorable results from the drilling program were reported (see our news releases of January 2nd, and May 17th, 2007). The news release also provides a link to a map showing the location of Starfire's property in relation to properties of Inspiration Mining, Liberty Mines and Golden Chalice. During August 2007, magnetic and horizontal loop electromagnetic surveys were completed over the portion of the property that had not been surveyed. The purpose was to determine if there are shallow targets that should be tested before resuming step-out drilling on the down-plunge extension of the Langmuir South zone that is indicated by the intersection of 3.66% Ni over core length of 6.65 meters in hole EL06-03. Between September 2007 and June 2008, the Company completed 1,193 meters of drilling in 12 shallow holes to test the EM and magnetic targets resulting from the survey. While no "ore-grade" intervals were drilled, a significant anomalous intersection in hole EL-08-18 of 0.24% Ni over a core length of 34 meters in komatiites near the intersection of 3.51% Ni over core length of 1.5 meters in hole EL-07-06 suggests that a second zone lies to the north of the South Zone. Further compilation of the results of the program in the context of historic drilling is in progress to design an appropriate drill program to effectively test this target in addition to the down-plunge extension of the South zone. We refer to our news release September 19, 2008 reference to updated Technical Report recommending further drilling with a 1st phase budget of approximately $300,000. The Company is working towards establishing a future drilling program to include availability of additional financing to enable a further exploration program.

The Company, through its subsidiary Starfire Precious Metals Inc., had acquired the right to earn a 100% interest in the **Porphyry Pearl Property**. This property is located in the Toodoggone mining district in northern British Columbia. We refer to our news releases of June 7th, June 25th, June 30th, September 14th, October 16th, November 12th, and November 26th, 2007 announcing the results of our 6-hole 1,798-meter diamond drill program. The results of hole PP07-05 (0.420 grams gold per tone over a core length of 87.96 meters) and hole PP07-06 (0.781 grams gold per tone over core length of 62.96 meters) are particularly encouraging to Management. This drill program and expanded work is in conjunction with the recommendation of a 43-101 compliant technical work report by Dr. N.C. Carter, Ph.D., P. Eng. and a detailed geophysical report by Peter E. Walcott & Associations Ltd. The Company engaged On-Track Exploration to conduct a follow-up diamond drilling program which mobilized on July 7, 2008.

We refer to our news release of November 5th 2008 wherein the Company announced the complete analytical results of its 2,016-meter 2008 drilling program. Of particular significance, four of the six holes intersected intervals exceeding 100 meters of 0.5 grams of gold per tonne. Together with the 2007 program, a mineralized zone has been identified over a strike of 230 meters to a depth of 250 meters with an average thickness of 90 meters, open at both ends and at depth. We refer to our news release of November 23rd, 2009 wherein the Company announced the results of a Titan DCIP (Direct Current Induced Polarization) survey conducted by Quantec Geoscience Ltd. on the PP Zone. The results support a target size approximating 250 million tonnes. An initial 10-hole diamond drill program totaling approximately 4,650 meters is planned to confirm the interpretation of the survey. A second 11-hole program totaling approximately 4,750 meters is contingent on encouraging results from the initial program.
The first phase budget for 4,650 meters is estimated at $2,557,500.

We refer to our news release August 16, 2011 confirming we have through amendment and final payment of $200,000 cash acquired 100% interest in property. The prior owner is now in the process of transferring title to name of Starfire Minerals Inc.
With completion of ownership the Company will now proceed with preparation of a budget for an initial drilling program of 4,650 meters schedule for 2012, subject to availability of financing.

The Company holds a 100% interest in six claims within the Timmins mineral belt described as the **Carman Property**. The Company announced previously its intention to further explore the property having filed on SEDAR a NI 43-101 compliant report in reference to nickel prospect on subject property. The Company will consider at a later date the best course of action to take to proceed with exploration on the Carman property.

During the year ended October 31, 2010, a geochemical soil sampling program was carried out on the **Eldorado Township property**. This survey was conducted over a grid of north-south lines near east-west axis of the property. As a result of the various surveys a diamond drilling program has been recommended the Company is now considering its options with respect to the property. There will be a limited exploration program for fall of 2011 in order to maintain claim.

The **Lordeau** uranium property was acquired through staking. Previous work on the property consisted of the drilling of 84 shallow holes, totaling 1, 611 meters in the 1970's. This work was prior to the implementation of national policy NI 43-101 an as such cannot be relied upon. The Company has granted an option to Santos Resources Corp., whereby Santos has acquired a 75% interest in the Lordeau property by paying the Company $10,000, issuing 75,000 shares of Santos, and payments in cash in lieu of $50,000 in work expenditures.

There has been no exploration activity on the **Shaw Property** for the past three years. Therefore the property was written down. The property is in good standing and the Company will still consider further exploration.

Off-Balance Sheet Items

The Company does not have any off-balance sheet items.

Related Party Transactions

The Company had the following transactions with related parties:

	October 31, 2009	October 31, 2010
Mineral properties exploration	$ 41,098	$ 2,330
Consulting fees	262,150	245,720
Office and miscellaneous	87,288	87,288
Professional fees	75,600	75,600
Rent	97,200	97,200
	$ 563,336	$ 508,138

Investor Relations Activities

Investor Relations activities of the Company consisted of the dissemination of a number of news releases by officers and directors. In addition, management of the Company responded to requests by shareholders and investment dealers for information, and disseminated financial information as required by applicable laws. In September 2006 the Company entered into an agreement with Bay Street Connect, a Toronto-based investor relation firm since amended with 100,000 options priced at $0.10 per share expiry December 4, 2013 and Effective November 1, 2008 the contract was amended to monthly payment of $2,500 with 30 day notice to terminate by either party. The contract with Bay Street Connect has since been terminated. Company performing investor relation activities in-house to be further addressed in the forthcoming months.

Critical Accounting Estimates

By definition the Company is a venture issuer and as such utilizes limited critical accounting estimation. The Company's recoverability of the recorded value of its mineral property costs is dependent upon many factors beyond the Company's control. The Company is engaged in an industry that is dependent on a number of conditions including exploration success, property tenure, environmental and permitting risks, legal and political risks and the Company's ability to obtain necessary financing to maintain, explore and develop its mineral properties. Please refer to Note 2 "Significant Accounting Policies" contained in the notes to the audited annual financial statements available at www.sedar.com for a full description of significant accounting policies.

Risks and Uncertainties

Mineral exploration and development involves a high degree of uncertainty and risk. The Company is active in acquisition and exploration of properties and concessions that have not yet been determined to contain economic mineralization. In addition, certain jurisdictions in which the Company operates can be subject to political disturbances that may affect the Company's mineral tenure and access, though at this time all of the Company's properties are within Canada.

Although the Company endeavors to utilize the best management practices, changes to environmental regulations can negatively affect the Company's ability to access, explore and develop its mineral properties.

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL INFORMATION

The Company's financial statements and the other financial information included in this management report are the responsibility of the Company's management. The financial statements were prepared by management in accordance with generally accepted Canadian accounting principles and include certain amounts based on management's best estimates using careful judgment. The selection of accounting principles and methods is management's responsibility. Management recognizes its responsibility for conducting the Company's affairs in a manner to comply with the requirements of applicable laws and established financial standards and principles, and for maintaining proper standards of conduct in its activities. The Board of Directors supervises the financial statements and other financial information through its audit committee, which is comprised of a majority of non-management directors. This committee's role is to examine the financial statements and recommend that the Board of Directors approve them, to examine the internal control and information protection systems and all other matters relating to the Company's accounting and finances. This committee is responsible for recommending the appointment of the external auditors or the renewal of their engagement.

The external auditors, Dale Matheson Carr-Hilton LaBonte LLP appointed by the shareholders at the Annual General Meeting have audited the Company's financial statements with their report indicating the scope of their audit and their opinion on the financial statements.

Additional Information

Additional information relating to the Company is available on SEDAR at www.sedar.com

Transition to "International Financial Reporting Standards" (IFRS)

In 2006, the Canadian Accounting Standards Board ("AcSB") published a strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian generally accepted accounting principles ("Canadian GAAP") with "International Financial Reporting Standards" IFRS over an expected five year transitional period. The AcSB announced in February 2008 that 2011 will be the changeover date for publicly-listed companies to use IFRS replacing Canadian GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

The transition date of January 1, 2011 will require the restatement for comparative purposes of amounts reported by the Company for the year ending October 31, 2012.

A changeover plan will be established to convert to the new standards within the allotted timeline and is expected to consist of the following three key phases:
1. Phase 1 – Assess the impact;
2. Phase 2 – Design; and
3. Phase 3 – Implementation

Phase 1 will carry out a detailed assessment of the impact of the conversion to IFRS.

Phase 2 will build the tools required for the conversion based on management's decisions about accounting options and the related disclosures.

Phase 3 will roll-out the designed changes. The changes will include the development of the new accounting policies and consolidation templates, the preparation of the IFRS financial statements, and related note disclosure.

The key elements of the Company's changeover plan will include the impact of IFRS on the following items:

• Accounting policies including:
[1] Stock based compensation, and
[2] Accounting for income taxes.

• First time adoption of IFRS.

The Company is currently assessing the impact of these new standards on its financial position; however, the financial reporting impact on the transition to IFRS cannot be reasonably estimated at this time.

Subsequent Events:

1. The Company signed a Joint Venture Agreement with Liaoning Eden Venture Investments Ltd., to jointly explore and develop Starfire's Porphyry Pearl property. The Company will place the Porphyry Pearl Property in a new company ("NEWCO") and Liaoning will be able to earn up to a 51% interest in NEWCO through an investment of up to $9,000,000 over 36 months. We refer to the news release filed on Sedar April 18, 2011. We are experiencing extended delays in finalizing the joint venture with the results the Company is intending to terminate the letter of agreement.

2. The company acquired 100% interest in the Porphyry Pearl property with payment in cash of $200,000. Refer news release August 16, 2011.

Other

Share Capital:

1. Authorized: unlimited number of common shares without par value.
   Currently outstanding 85,737,100
2. Weighted average of shares as at October 31, 2010 was 84,866,963
3. As at October 31, 2010 there were incentive stock options outstanding for a total of 6,200,000 shares since that date outstanding stock options have reduced to 5,380,000.

Cautionary Note Regarding Forward-Looking Statements

Certain statements contained in the foregoing Management's Discussion and Analysis and elsewhere constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements, which speak only as of the date the statements were made, and readers are advised to consider such forward-looking statements in light of the risks set forth above