MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
NINE MONTHS ENDED DECEMBER 31, 2018
(Expressed in Canadian Dollars unless otherwise indicated)

MANAGEMENT'S DISCUSSION AND ANALYSIS
NINE MONTHS ENDED DECEMBER 31, 2018

1.0 INTRODUCTION

The following Management's Discussion and Analysis ("MD&A") is Management's review of the financial condition and results of operations for the nine months ended December 31, 2018 (the "Reporting Period") of Firestone Ventures Inc. ("Firestone" or the "Company"). This MD&A is prepared as of March 1, 2019, unless otherwise indicated and should be read in conjunction with the condensed consolidated interim financial statements (unaudited) for the three and nine months ended December 31, 2018 ("Interim Financial Statements") and the audited financial statements for the year ended March 31, 2018 ("Annual Financial Statements") and the notes related thereto which have been prepared in accordance with International Financial Reporting Standards ("IFRS"). All amounts have been expressed in Canadian dollars unless otherwise indicated. Additional information relating to the Company can be found on SEDAR at www.sedar.com.

2. CAUTIONARY NOTE – "FORWARD-LOOKING INFORMATION"

This MD&A contains "forward-looking information" under applicable Canadian securities legislation. Except for statements of historical fact relating to the Company, information contained herein constitutes forward-looking information, including any information as to the Company's strategy, plans or future financial or operating performance. Forward-looking statements are characterized by words such as "plan," "expect", "budget", "target", "project", "intend", "believe", "anticipate", "estimate" and other similar words, or statements that certain events or conditions "may" or "will" occur. Forward-looking statements are based on the opinions, assumptions and estimates of management considered reasonable at the date the statements are made and are inherently subject to a variety of risks and uncertainties and other known and unknown factors that could cause actual events or results to differ materially from those projected in the forward-looking information. These factors include the Company's expectations in connection with the expected exploration on its projects, potential development and expansion plans on the Company's projects, the impact of general business and economic conditions, global liquidity, inflation, inability to raise additional funds as may be required through debt or equity markets, fluctuating metal prices (such as zinc, lead, copper and silver), currency exchange rates (such as the Canadian Dollar ("$") versus the United States Dollar ("USD")), possible variations in metal grade encountered in exploration, changes in accounting policies, risks related to non-core project disposition, risks related to acquisitions, changes in project parameters as plans continue to be refined, changes in project development time frames, the possibility of project cost overruns or unanticipated costs and expenses, higher prices for fuel, power, labour and other consumables contributing to higher costs and general risks of the mining industry, unanticipated results of future studies, seasonality and unanticipated weather changes, costs and timing of the development of new deposits, if any, success of exploration activities, permitting time lines, government regulation and the risk of government expropriation of exploration properties, environmental risks, unanticipated reclamation expenses, title disputes or claims, limitations on insurance coverage and timing and possible outcome of labour disputes and/or shortages, as well as those risk factors discussed or referred to herein. Although the Company has attempted to identify important factors that could cause actual actions, events or results to differ materially from those described in forward-looking information, there may be other factors that cause actions, events or results not to be anticipated, estimated or intended. There can be no assurance that forward-looking information will prove to be accurate, as actual results and future events could differ materially from those anticipated in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management's estimates, assumptions or opinions should change, except as required by applicable law. The reader is cautioned not to place undue reliance on forward-looking information. The forward-looking information contained herein is presented for the purpose of assisting investors in understanding the Company's expected financial and operational performance and results as at and for the periods ended on the dates presented in the Company's plans and objectives and may not be appropriate for other purposes.

Examples of such forward-looking information in this document include, but are not limited to statements with respect to the following, each of which is subject to significant risks and uncertainties and is based on certain assumptions, which may prove to be incorrect, including:

- Management's intention to raise additional funds to finance corporate and exploration expenditures **(see 11.0 - Liquidity, Capital Management and Going Concern);**
- The discussions of future plans for our exploration properties **(see 8.0 - *Exploration Update*).**

3.0 REPORT DATED: March 1, 2019

4.0 CORPORATE INFORMATION

Corporate Office

Suite 1050, 36 Toronto St.
Toronto, Ontario Canada M5C 2C5;
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Email: info@firestoneventures.com and website: www.firestoneventures.com

The Company's registered office is currently located at Suite 1250, 639 – 5th Ave. S.W., Calgary, Alberta, T2P 0M9, Canada.

Directors & Officers

Dr. Keith Barron – Chairman, President, CEO and Director
John Kowalchuk – Director
Donna McLean – Chief Financial Officer
Warren Boyd - Director
Dr. Richard Spencer – Director

Advisor

F. Carson Noel

5.0 DESCRIPTION OF BUSINESS

Firestone was incorporated on May 25, 1987 under the name "Gold Torch Resources Ltd." It has undergone several name changes with the current name having taken effect on December 6, 1999. Firestone is a reporting issuer in British Columbia and Alberta and trades on the TSX Venture Exchange ("TSX-V") under the symbol FV and the Frankfurt Stock Exchange under the symbol F5V.

MANAGEMENT'S DISCUSSION AND ANALYSIS
NINE MONTHS ENDED DECEMBER 31, 2018

Nature of Operations

Firestone is a junior mineral exploration company engaged in the identification, evaluation, acquisition and exploration of mineral property interests with a focus on zinc, lead and copper. Through its wholly-owned subsidiary Fuego Estrella, S.A., ("FESA") the Company previously explored certain mineral property interests in Guatemala.

Guatemala Operations on Hold

Management continues to monitor the mining environment in Guatemala. On the business front, foreign investment for exploration in Guatemala, remains illusive. Country risk remains high with concerns about indigenous rights, onerous environmental legislation and frequent changes to tax legislation and royalties. The licensing and permitting process for mining is unclear and subject to license suspensions without due process.

However, Management still believes there is technical merit for exploration at the Company's Torlon project and environs, and should conditions for advancing exploration there become more favourable, it is prepared to revisit resuming operations. It is for this reasoning that the Company continues to maintain the exploration and environment permits for its Torlon project in good standing.

Meanwhile, Management continues to examine and evaluate other potential prospects as industry conditions are creating opportunities for companies such as Firestone, to expand their asset base.

6.0 SELECT FINANCIAL INFORMATION

As at	**December 31, 2018**	March 31, 2018
Cash	**$6,330**	$10,506
Total assets	**26,091**	38,424
Total liabilities	**(331,443)**	(246,150)
Working capital (deficiency)	**(305,352)**	(207,726)
Deficit	**$(24,313,413)**	$(24,141,014)

6.0 SELECT FINANCIAL INFORMATION, continued

	For the three months ended December 31, 2018	2017
General and administrative expenses other than stock-based compensation ("G&A")	**$29,735**	$46,634
Stock-based compensation	**7,331**	91,873
Exploration expenses	**10,458**	6,528
Foreign exchange (gain) loss	**-**	(448)
Gain on settlement of debt	**-**	(23,852)
Interest income	**-**	-
Net loss and comprehensive loss	**$(47,524)**	$(120,735)
Basic and diluted loss per share	**$(0.00)**	$(0.00)

	For the nine months ended December 31, 2018	2017
General and administrative expenses other than stock-based compensation ("G&A")	**$80,753**	$139,158
Stock-based compensation	**74,773**	234,196
Exploration expenses	**22,716**	12,098
Foreign exchange (gain) loss	**733**	(1,315)
Gain on settlement of debt	**-**	(27,467)
Other income	**(6,288)**	-
Interest income	**(288)**	-
Net loss and comprehensive loss	**$(172,399)**	$(363,198)
Basic and diluted loss per share	**$(0.00)**	$(0.01)

7.0 OVERALL PERFORMANCE – Financial position, operating results and cash flows

7.1.1 Financial Position

As an exploration company, the Company has no regular source of revenue. At December 31, 2018, the Company had accumulated losses of $24,313,413 (March 31, 2018 – $24,141,014) and will continue to incur losses until achieving commercial production. This would only occur if the Company's exploration program(s) are successful in delineating a commercially viable ore reserve.

Cash on hand is minimal and cash calls are made to a director and related party (the "Lender"), only 'as needed'. At December 31, 2018, the Company had cash of $6,330 (March 31, 2018 - $10,506) and liabilities of: accounts payables and accrued liabilities of $77,612 (March 31, 2018 – $79,535), $12,831 due to related parties (March 31, 2018 - $48,615) and $241,000 promissory note (March 31, 2018 - $118,000). Approximately $14,867 relates to payables, aged more than 180 days, however accounting rules prohibit the write-off of such aged debts.

During the nine months ended December 31, 2018 (the "Reporting Period"), a total of $123,000 (2017 - $162,504) was advanced by the Lender to meet ongoing public company costs, reduce aged payables and pay exploration expenses such as the basic retainer of our Country Manager. The Lender continues to assist the Company with short-term advances to meet the Company's ongoing financial obligations. Share capital remained the same with no shares being issued, however, contributed surplus increased during the Reporting Period, from $4,376,556 to $4,451,329 due to the charge of $74,773 stock-based compensation expense for the amortization of vested options.

7.1.2 Operating Results

For the Reporting Period, the Company posted a net loss of $172,399 compared to $363,198 for the same respective period, in the previous year. The 47% decrease, year-over-year, is mainly attributable to stock-based compensation expense being higher by $159,423 due to a revaluation of this expense, in November 2017. Several factors impacted the higher valuation including a higher underlying share price. Exploration expenditures were marginally higher in 2018 due to the timing of payments made and some additional costs incurred for moving core from one storage facility to another.

Additional costs that were higher in the comparable Reporting Period in 2017, included:

- Professional and administrative was higher primarily due to $5,100 of legal fees for services related to debt settlement and audit fees were higher by $10,000 as support for the permit status was difficult to secure and delivered late in the audit process;
- Office and general was higher primarily due to $6,000 of moving costs incurred when the Company moved to a new office location; and
- Regulatory and transfer agent fees and investor relations expenses were higher by an aggregate of $20,000 due to out-of-pocket costs associated with November 2017 Annual and General Meeting ("AGM") and the concurrent debt settlements with the Lender.

During the Reporting Period, the Treasury Dept. of the State of Nevada returned the proceeds of a reclamation bond lodged by a predecessor Management, for a prior project in Nevada, in the amount of USD4,728 ($6,288).

7.1.3 General and Administrative Expense ("G&A")

	Three months ended December 31,		Nine months ended December 31,	
	2018	2017	**2018**	2017
Professional fees and administrative	**$11,261**	$15,351	**$29,760**	$50,430
Office and general	**6,502**	11,201	**18,981**	27,227
Regulatory fees and transfer agent	**1,472**	12,892	**9,512**	31,578
Investor relations and travel	**7,500**	4,280	**13,500**	20,923
Management fees	**3,000**	3,000	**9,000**	9,000
	$29,735	$46,634	**$80,753**	$139,158
Stock-based compensation	**7,331**	91,783	**74,773**	234,196
TOTAL	**$37,066**	$138,507	**$155,526**	$373,354

During the nine months ended December 31, 2017, Management was successful in negotiating certain aged payables with final payments comprised of cash and [the issuance of] shares. **See Share Capital.** The negotiations resulted in realizing a gain on settlement of $27,467.

Since 2015, the Company has been sharing corporate service costs, with other small companies. The Company pays $5,000 a month for services provided by a company controlled by an officer and director of the Company. The services include rent, internet and website management costs, administrative fees, accounting, marketing and investor relations services.

Public company costs such as listing fees and monthly transfer agent fees are relatively fixed, however, Management strives to conserve cash wherever possible, while ensuring that the Company is compliant with all regulatory and project maintenance and reporting requirements.

7.1.4 Exploration Expenditures

	Three months ended December 31,		Nine months ended December 31,	
	2018	2017	**2018**	2017
Salaries and geological consulting	**$9,123**	$6,477	**$17,616**	$17,559
Core storage rentals and permits	**1,335**	51	**5,100**	1,067
TOTAL	**$10,458**	$6,528	**$22,716**	$18,626

The Company has contracts with two professionals in Guatemala - our Country Manager, who is a geologist, and a public accountant. These professionals ensure that all regulatory filings, both technical and administrative in nature, are submitted, on a timely basis. The differences recorded in each category of the above exploration expenditures, are mainly due to the timing of the billing and subsequent bill payments. Exploration expenditures, however, remain steady at approximately $2,000 - $2,500 per month. These costs include technical and accounting fees and travel expenses, core storage fees and annual permit fees.

7.1.5 Cash Flows and Financing Activities

The Company continues to rely on the Lender for cash advances to meet its financial obligations. For the nine months ended December 31, 2018 and 2017, the Lender advanced $123,000 (2017 - $162,504) to the Company. At December 31, 2018, the outstanding balance of debt owed to the Lender is $241,000 (2017 - $118,000) of cash advances and $11,701 (March 31, 2018 - $30,000) of unpaid services.

The Company's monthly operations cost, for corporate and exploration, is approximately $10,000/month. There is no written commitment from the Lender to continue funding the Company's activities therefore the Company's ability to continue as a going concern is contingent on its ability to obtain additional financing from either internal and/or external sources. Attracting new capital continues to be a challenge for the Company but Management believes this is achievable, if and when investment funds are more readily available to junior base metal exploration companies such as Firestone.

8.0 RESULTS OF OPERATIONS

A. Exploration Update

8.1.1 Potential Project(s)

Until conditions become more favourable to resume exploration in Guatemala, Management continues to examine and evaluate other potential prospects that would be synergistic with the Company's technical expertise and financial capacity.

8.1.2 Historic Focus - TORLON HILL, GUATEMALA

The Torlon Hill Project (zinc-lead-silver-copper project), consists of the Torlon Hill and other property interests located in northwest Guatemala City and 12 km west-northwest of the city of Huehuetenango. The project area covers approximately 2,938 hectares.

Current status of Torlon

As at December 31, 2018, the Company's exploration and environmental permits for the Torlon project are in good standing. Therefore, exploration operations could be started up again by either the Company or other interested parties, should conditions become favourable to do so. Further exploration is highly dependent on the availability of funding and other factors.

8.1.3 Other Properties, Guatemala

The Company continues to hold 11 exploration concessions awaiting final approval from the Guatemala government. However, it is not the strategy of Management to proceed with exploration on these properties in the near-term.

8.1.3.1 Refund of Reclamation Bond

On August 22, 2018, the Company received $6,288 from the State of Nevada, for the return of a reclamation bond, for an abandoned project. This has been recorded as other income on the statement of loss.

B. Financial Performance

Nine months ended December 31, 2018 - Reporting Period

The Company continues to operate on a 'care-and-maintenance' basis. Service costs remain fixed pursuant to a contract (**see section 14.0 Commitments and Contingencies**), while the public company costs can increase periodically – e.g. the Company's annual sustaining fee was higher this fiscal year as it is based on capitalization which increased in November 2017 following a debt settlement for shares. The total increased net loss, year-over-year, of $190,799 is primarily due to a higher stock-based compensation expense recorded due to a revaluation of the amortization for vested options, that occurred in November 2017, significant costs related to holding the Annual General Meeting in November 2017, and the costs filing, legal and other costs related to a debt settlement with the Lender. (**See 7.1.2 Operating Results and 7.1.3 General and Administrative Expenses**).

Exploration expenditures for the Reporting Period remained constant at approximately $2,000 - $2,500 per month as discussed above, (**See 7.1.4 - Exploration Expenditures).**

Three months ended December 31, 2018

The expenditures recorded in Q3/2017, are significantly higher than those recorded in Q3/2018 (already detailed above in sections 7.1.2 to 7.2.4), largely due to higher level of activity in November 2017 which included the conversion of promissory notes by the Lender and hosting the Shareholders' AGM. Printing, mailing and legal costs related to the AGM are expensive even for a Company of Firestone's size. There were no 'other' income/expense items recorded in this quarter.

9.0 QUARTERLY RESULTS

The following summary of quarterly results are derived from the condensed consolidated interim financial statements prepared by Management:

	2019		2018				2017	
	Dec.	Sep.	Jun.	Mar.	Dec.	Sep.	Jun.	Mar.
	$	**$**	$	$	$	$	$	$
G&A expenses, other than stock-based compensation	**(29,735)**	**(22,672)**	(28,348)	(19,046)	(46,724)	(68,663)	(23,770)	(26,495)
Exploration expense	**(10,458)**	**(8,012)**	(4,248	(26,379)	(6,528)	(2,078)	(10,020)	(9,706)
Stock-based compensation exp.	**(7,331)**	**(35,767)**	(31,674)	4,434	(91,783)	(130,939)	(11,475)	21,391
Write-down of mineral properties	**-**	**-**	-	-	-	-	-	(1,013,491)
Gain on settlement of debt	**-**	**-**	-	-	23,852	3,614		
Change in provision	**-**	**-**	-	-	-	-	-	-
Foreign exchange gain (loss)	**-**	**(553)**	(179)	(6,219)	448	(556)	1,423	(526)
Other income	**-**	**6,431**	145	2,832	-	-	-	-
Net loss and comprehensive loss	**(47,524)**	**(60,573)**	(64,302)	(44,378)	(120,735)	(198,622)	(43,842)	(1,028,827)
Basic and diluted loss per share	**$(0.00)**	**$(0.00)**	$(0.00)	$(0.00)	$(0.00)	$(0.01)	$(0.00)	$(0.03)

10.0 SHARE CAPITAL AND STOCK- BASED COMPENSATION

The Company is authorized to issue an unlimited number of common and preferred shares, without par value.

a) Issued share capital

For the nine months ended December 31, 2018, there were no shares issued.

b) Incentive plans

The Company maintains a stock option plan ("SOP") and a restricted stock unit ("RSU") plan under which directors, officers, employees and consultants of the Company and its affiliates are eligible to receive stock options and RSU's. The SOP is a rolling plan under which the maximum number of common shares reserved for issuance is 10% of the issued shares of the Company at the time of granting the options. The RSU incentive plan ("RSUP") is a fixed plan under which the maximum number of common shares reserved for issuance is 4,612,079.

Both plans are intended to enhance the Company's ability to attract and retain highly qualified officers, directors, key employees, consultants and other persons, and to motivate such officers, directors, key employees, consultants and other persons to serve the Company and to expend maximum effort to improve the business results and earnings of the Company, by providing to such persons an opportunity to acquire or increase a direct proprietary interest in the operations and future success of the Company.

Stock Options

(i) On July 26, 2018, the Company granted 1,000,000 stock options to two directors. Each stock option allows the holder to acquire one common share of the Company at an exercise price of $0.075 for a period of five years. The options vest 1/3 on the grant date, 1/3 on the first anniversary of the grant date and the final 1/3 on the second anniversary of the grant date. The options were estimated to have a fair value of $75,000 on the grant date, using the Black-Scholes option pricing model was based on the following assumptions: expected volatility of 172%; expected useful life of 5.0 years, risk free rate of 2.19%; expected dividend yield of 0%; and share price of $0.075. To December 31, 2018 a total of $39,100 has been expensed for the vested options.

(ii) During the Reporting Period, the Company recorded an additional $35,674 (2017 - $229,197) for stock-based compensation expense for (2016) vested options.

The following tables summarize stock option activity and the Company's stock options outstanding and exercisable for the nine months ended December 31, 2018:

	Number of Options	Weighted Average Exercise Price
Balance - March 31, 2018	**2,875,000**	**$0.05**
Issued	1,000,000	$0.075
Balance – December 31, 2018	**3,875,000**	**$0.06**

Issued Number of Options	Exercisable Number of Options	Exercise Price	Expiry Date	Estimated Fair Value
750,000	750,000	$0.05	May 9, 2019	$79,474
125,000	125,000	$0.05	July 29, 2021	$11,366
2,000,000	2,000,000	$0.05	July 29, 2021	$222,529
1,000,000	333,333	$0.075	July 26, 2023	$39,100
3,875,000	**3,208,333**			**$352,469**

The weighted average contractual life remaining for stock options as at December 31, 2018 is 3.09 years (2017 – 3.58 years). The above stock options were not included in the computation of diluted net loss per share for the periods presented as they are anti-dilutive.

Restricted Stock Units

All RSU's granted under the RSUP must vest no later than two years from date of the award of RSU's. There have been no RSU's granted since inception of the RSUP.

11.0 LIQUIDITY, CAPITAL MANAGEMENT AND GOING CONCERN

The Company considers its capital structure to include share capital, contributed surplus and equity, which at December 31, 2018 was in deficiency of $305,352 (March 31, 2018 – deficiency of $207,726). The Company's capital management objective is to ensure that there are adequate capital resources to fund planned exploration, sustain operations, and continue as a going concern. Management has been unsuccessful in attracting new investment for the reasons previously stated and continues to rely on related party loans to meet its financial obligations.

The current financial equity market conditions for mineral exploration companies and the low price of the Company's common shares make it difficult to raise funds by private placements of shares, making the success of any alternative financing ventures uncertain. This material uncertainty, in conjunction with the Company's working capital deficiency and inability to generate cash from operations, casts significant doubt upon the Company's ability to continue as a going concern and, accordingly, the appropriateness of the use of accounting principles applicable to a going concern. In addition to obtaining funding through private placements, management is examining other strategic alternatives to address the uncertainties discussed above, including corporate restructuring, mergers, sales of assets, and other forms of debt and equity financing. There is no assurance that any of these endeavours will be successful.

12.0 KEY MANAGEMENT COMPENSATION EXPENSE

In accordance with IAS 24, key management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and nonexecutive) of the Company.

13.0 RELATED PARTY TRANSACTIONS

a) Key Management Compensation Expense

In accordance with IAS 24, Key Management personnel are those having authority and responsibility for planning, directing and controlling the activities of the Company directly or indirectly, including any directors (executive and nonexecutive) of the Company.

During the nine months ended December 31, 2018:

A total of $9,000 (2017 - $9,000) plus HST was charged to the Company by the Chief Financial Officer ("CFO") on account of accounting consulting fees and recorded as management fees. Included in account payables and accrued liabilities at December 31, 2018 is $1,130 (2017 - $3,390) owed to the CFO for unpaid services. This amount is unsecured, non-interest bearing and due on demand.

During the three months ended December 31, 2018:

A total of $3,000 (2017 - $3,000) plus HST was charged to the Company by the CFO on account of accounting consulting fees and recorded as management fees.

These transactions are in the normal course of operations and are measured at the amount of consideration established by the related parties, except for share-based payments which are measured using the Black-Scholes option pricing model.

The directors of the Company receive no cash compensation but are eligible to receive stock options and RSU's.

	Nine months ended December 31,	
	2018	2017
Management consulting fees	**$9,000**	$9,000
Key Management stock-based compensation	**71,783**	224,829
	$80,783	$233,829

b) Other transactions

During the nine months ended December 31, 2018 and 2017:

(i) The Company incurred $45,000 of service costs, or $5,000 per month, provided by a service company ("ServiceCo1") controlled by a principal shareholder of the Company, who is also Chairman and CEO of the Company. These costs were approved by the Board of Directors under an agreement effective October 1, 2017. These costs were allocated in the condensed consolidated interim financial statements, as follows: $13,500 to office and general (including $9,000 rent expense), $18,000 to professional and administration fees, $4,500 for services related to regulatory and transfer agent costs and $9,000 for other expenses categorized as investor relations and travel. Included in accrued liabilities at December 31, 2018 is $11,701 (March 31, 2018 - $30,000) owing for unpaid services.

During the three months ended December 31, 2018 and 2017:

(ii) The Company incurred $15,000 of service costs, or $5,000 per month for services also provided by ServiceCo1. These costs were allocated in the condensed consolidated financial statements as more particularly described in item (i) above, pro rated to three months' costs.

These amounts are unsecured, non-interest-bearing and due on demand.

See 14.0 Promissory Note

14.0 PROMISSORY NOTE

a) Promissory note

During the Reporting Period, the Company received $123,000 (2017 -$162,505) from the Lender to meet its financial obligations and at December 31, 2018, the balance of short-term advances owed to the Lender, pursuant to a promissory note is $241,000 (2017 -$118,000). These funds were used to pay regular ongoing corporate costs, exploration expenditures some payables. This note is non-interest bearing and unsecured. In November 2017, the Company agreed to settle an aggregate of $844,840 of cumulative advances, for the issuance of 16,896,800 common shares. To December 31, 2018, the Lender holds approximately 31% of the issued and outstanding common shares of Firestone.

15.0 COMMITMENTS AND CONTINGENCIES

a) Environmental Contingencies

The Company's exploration activities are subject to various federal, state and municipal laws and regulations governing the protection of the environment. The Company conducts its operations with the intention of protecting public health and the environment.

As a condition of maintaining the Company's exploration permits in Guatemala, the Company is required to obtain an environmental license (the "EL"). One of the conditions of the EL is the provision of a monetary guarantee sufficient to meet potential future reclamation costs. Accordingly, the Company has lodged a GTQ 36,344 insurance bond ($6,329) for this purpose. The deposit earns interest, has no maturity date and is fully refundable at the end of the project once the Ministry has signed off that no reclamation work is outstanding.

b) Service Costs Agreement

ServiceCo1 provides rental space, investor relations, administrative and IT services to the Company at a monthly cost of $5,000. The service agreement for the services may be terminated by the Company, with 90 days' written notice of the Company's intention to terminate the agreement.

c) Advisor Agreement

On November 8, 2017 the Company engaged a former President/Director of the Company to advise the Company on matters related to the Company's Guatemala projects. Compensation for the engagement is the continuation of his 750,000 stock options, originally granted on July 29, 2016. The termination date for the options is the earlier of May 9, 2019 or 30 days after he ceases to be an Advisor.

16.0 DISCLOSURE OF OUTSTANDING SHARE DATA

At March 1, 2019 Firestone has issued/granted:

- ✓ 53,720,791 common shares
- ✓ 2,875,000 stock options with an exercise price of $0.05, expiring between May 9, 2019 and July 29, 2021 and 1,000,000 stock options with an exercise price of $0.075, expiring July 26, 2023
- ✓ There are no warrants outstanding
- ✓ No RSU's have been awarded

17.0 ACCOUNTING POLICIES

See significant polices in the Annual Financial Statements.

Changes in accounting policies

During the nine months ended December 31, 2018, the Company adopted a number of new IFRS standards, interpretations, amendments and improvements of existing standards including IFRS 9 and IFRIC 22. These new standards and changes did not have any material impact on the Company's condensed consolidated interim financial statements.

18.0 INCOME TAXES

See Annual Financial Statements for details of the Company's provision for tax, tax losses and deferred tax position.

19.0 CAPITAL AND FINANCIAL RISK MANAGEMENT

19.1 Capital management

The Company considers the capital that it manages to include share capital, contributed surplus and deficit, which at December 31, 2018 was $(305,352) (March 31, 2018 - $(207,726)). The Company manages its capital structure and makes adjustments to it, based on the funds needed in order to support the acquisition, exploration and development of mineral properties. Management does this in light of changes in economic conditions and the risk characteristics of the underlying assets. There has been no change with respect to the overall capital risk management strategy during the nine months ended December 31, 2018.

At December 31, 2018, the Company does not have sufficient funds to continue operating in the normal course; accordingly, Management is pursuing financing strategies including short-term loans to assist the Company in meeting its ongoing financial commitments, and continues to rely on related party loans.

19.2 Financial risk management

The Company's activities expose it to a variety of financial risks: credit risk, liquidity risk and market risk (including interest rate, foreign exchange rate, and commodity price risk). Risk management is carried out by the Company's Management team with guidance from the Audit Committee under policies approved by the Board of Directors. The Board of Directors also provides regular guidance for overall risk management. There have been no changes in the risks, objectives, policies and procedures during the nine months ended December 31, 2018.

19.2.1 Credit risk

Credit risk is the risk of an unexpected loss if a third party to a financial instrument fails to meet its contractual obligations. The Company has no significant concentration of credit risk arising from its operations. Cash is held at select Canadian and Guatemalan financial institutions, from which Management believes the risk of loss to be remote. The Company does not have any material risk exposure to any single debtor or group of debtors.

19.3 Liquidity risk

Liquidity risk arises through an excess of financial obligations over financial assets at any point in time. The Company's approach to managing liquidity risk is to maintain sufficient readily available cash to continue operations and meet its financial obligations as they become due. As the Company has no producing assets and profitability will not occur within the next twelve months, continued operations are dependent upon its ability to raise adequate financing. Management is investigating various means of achieving this objective, including, but not limited to: debt, equity issuances, exercise of options, disposition of assets or JV partnerships.

As at December 31, 2018, the Company had $6,330 to settle $331,443 of liabilities (March 31, 2018 - $10,506 in cash to settle $246,150 of liabilities). The Company's liquidity risk is therefore material.

19.4 Market risk

Market risk is the risk related to changes in the market prices, such as fluctuations in foreign exchange rates and interest rates that will affect the Company's net earnings or the value of its financial instruments.

19.5 Interest rate and Foreign Currency Risks

i) Interest rate risk

Cash balances are deposited in highly-accessible and low-interest bank accounts that are used for short-term working capital requirements. The Company regularly monitors compliance to its cash management policy.

ii) Foreign currency risk

Certain of the Company's expenses are incurred in USD and GTQ are therefore subject to gains or losses due to fluctuations in these currencies. Management believes that the foreign exchange risk derived from currency conversions is best served by not hedging its foreign exchange risk.

At December 31, 2018 and March 31, 2018, the Company's exposure to foreign currency risk with respect to amounts denominated in USD and GTQ, was substantially as follows:

In Canadian $ equivalents	**December 31, 2018**	March 31, 2018
Cash	**$1,944**	$2,166
Accounts payable and accrued liabilities	**(19,552)**	(22,489)
Net exposure	**$(17,608)**	$(20,323)

During the nine months ended December 31, 2018, the Canadian dollar remained relatively stable against the USD and GTQ which resulted in a small net foreign exchange loss of $733 (2017 – gain of $1,315).

19.6 Commodity price risk

Commodity price risk is defined as the potential adverse future impact on earnings and economic value due to commodity price movements and volatility. The ability of the Company to develop its mineral properties and the future profitability of the Company is directly related to the market price of zinc, lead, silver and copper.

Commodity prices have fluctuated significantly in recent years. There is no assurance that these metals will be produced in the future or that a profitable market will exist for them. As of December 31, 2018 and 2017, the Company was not a metals commodity producer.

19.7 Fair value of financial instruments

The Company's financial instruments include cash, accounts receivable, accounts payable and accrued liabilities and promissory notes. The fair values of cash, accounts receivable, accounts payable, accrued liabilities and promissory notes approximate their carrying amounts due to the short terms to maturity. The Company has no unrecognized financial instruments or derivative financial instruments. It is Management's opinion that the Company is not exposed to other significant market risks arising from its financial instruments.

20.0 OTHER RISKS AND UNCERTANTIES

The success of Firestone's business is subject to a number of factors including, but not limited to, those risks normally encountered by junior resource exploration companies such as exploration uncertainty, operating hazards, more onerous environmental regulation, competition with companies having greater resources, fluctuations in the price and demand for minerals, fluctuations in exchange rates and lack of operating cash flow. Firestone's ongoing ability to finance corporate and exploration costs will depend on, amongst other things, the viability of equity markets.

An investment in the common shares of the Company is speculative in nature and involves a high degree of risk.

Exploration, Development and Operating Risk

Mineral exploration involves many risks, which even a combination of experience, knowledge and careful evaluation, may not be able to overcome. Operations in which the Company has a direct or indirect interest will be subject to all the hazards and risks normally incidental to exploration and development, any of which could result in work stoppages, damage to the property, and possible environmental damage. None of the properties in which Firestone has an interest has a known body of commercially viable ore. Mining involves a high degree of risk and few properties that are explored are ultimately developed into producing mines. There is no assurance that any of Firestone's mineral exploration activities will result in discoveries of commercially viable orebodies. In addition, operating in a foreign jurisdiction such as Guatemala exposes the Company to additional risks including potential political change, arbitrary changes in law or policies, inability or delays in obtaining permits, limitations on foreign ownership and other risks not specified here. Foreign currency fluctuations may also adversely affect the Company's financial position and operating results.

Management of the Guatemala operations attempts to mitigate risks associated with exploration and mining and minimize their effect on the Company's financial performance, but there is no guarantee that the Company will be operationally successful.

Title

Property title may be subject to unregistered prior agreements and non-compliance with regulatory requirements.

Although the Company has taken steps to verify title to the properties on which it is conducting exploration, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the title to the permitted properties.

Environmental Matters

The Company's exploration activities are subject to various federal, state and international laws and regulations governing the protection of the environment.

The Company believes its operations are materially in compliance with applicable laws and regulations. The Company has arranged for the deposit of a guarantee to ensure adequate funding to meet any future expenditure to comply with such laws and regulations. The amount that will need to be paid from this deposit, and the timing of any such payment, is unknown at this time.

Foreign Country Risk

The property interests are located outside of Canada and are subject to the risk of foreign investment, including increases in taxes and royalties, renegotiation of permits and currency exchange fluctuations.

The Company mitigates foreign country risk by keeping apprised of Guatemala's economic policies and political climate and by relying on certain advisors, including technical and financial consultants, to inform Management of any proposed change to the laws and regulations that could significantly impact the financial results of the Company.