MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS NINE MONTHS ENDED DECEMBER 31, 2020

(Expressed in Canadian Dollars unless otherwise indicated)

MANAGEMENT'S DISCUSSION AND ANALYSIS
NINE MONTHS ENDED DECEMBER 31, 2020

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, 2020 (the "Reporting Period") of Firestone Ventures Inc. ("Firestone" or the "Company"). This MD&A is prepared as of March 1, 2021, unless otherwise indicated and should be read in conjunction with the annual consolidated audited financial statements for the year ended March 31, 2020 ("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.

2.0 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 those of 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 a number of assumptions which may prove to be incorrect:

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

3.0 REPORT DATED: March 1, 2021

4.0 CORPORATE INFORMATION

Corporate Office

Suite 1050, 36 Toronto St.
Toronto, Ontario Canada M5C 2C5
Tel: (416) 583-1646

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

On July 21, 2020, John Kowalchuk resigned as director. The Board of Directors (the "Board") thanks John for his many years of diligent service to Firestone. John will continue to serve the Company as an advisor.

To fill the directorship vacancy, the Board appointed Dr. Scott Morrison. Scott is a Professional Engineer with a BSc. in Geology and a Ph.D. in Metallurgy. He has served as lead director for several successful companies and brings to Firestone a wealth of experience in coaching and advising management groups in the areas of mergers & acquisitions, shareholder value creation, leadership, governance and banking.

Dr. Keith Barron – Chairman, President & CEO, Director
Donna McLean – Chief Financial Officer
Warren Boyd – Independent Director
Dr. Richard Spencer – Independent Director
Dr. Scott Morrison – Independent Director

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.

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. Historically, through its wholly owned subsidiary Fuego Estrella, S.A., ("FESA"), the Company has been exploring certain mineral property interests in Guatemala.

Guatemala Operations on Hold

While Management still believes there is technical merit to advance exploration on its Guatemala assets, particularly at the Torlon Hill project *(see Exploration Update*), it was agreed to write down the carrying value of these assets pursuant to accounting rules for impairment, as at March 31, 2015. Support for the impairment included: a) the Company is unable to determine if the project is commercially viable, b) the Company has not raised funding nor budgeted for exploration advancement and c) it cannot be assured that the historic carrying value is fully recoverable.

Should conditions for advancing exploration in this mining jurisdiction become more favourable for the Company and/or other interested parties, then the possibility of returning to actively explore there would be revisited. Since 2015, the Company has been maintaining and updating its various operating permits should the decision to recommence exploration be made (See Section 8.1.1. *Current Projects)*. Accordingly, Management remains open to considering alternative opportunities to financing and advancing future exploration there.

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 SELECTED FINANCIAL INFORMATION

As at	**December 31, 2020**	March 31, 2020
Cash	**$8,664**	$3,772
Working capital (deficiency)	**$(619,599)**	$(491,993)
Total assets	**$25,389**	$21,554
Total liabilities	**$(644,988)**	$(513,547)
Deficit	**$(24,660,417)**	$(24,528,639)

	Three months ended December 31,		Nine months ended December 31,	
	2020	2019	**2020**	2019
General and administrative expenses other than share-based compensation ("G&A")	**$25,018**	$30,201	**$102,365**	$75,767
Share-based compensation	**-**	6,366	**4,172**	41,461
Exploration expenses	**7,431**	6,943	**24,060**	20,805
Foreign exchange (gain) loss	**355**	5	**1,181**	(136)
Net loss and comprehensive loss	**$(32,804)**	$(43,515)	**$(131,778)**	$(137,897)
Basic and diluted loss per share	**$(0.00)**	$(0.00)	**$(0.00)**	$(0.00)

7.0 OVERALL PERFORMANCE

7.1.1 Financial Position

As an exploration company, Firestone does not generate revenue. At December 30, 2020, the Company had accumulated losses of $24,660,417 (March 31, 2020 – $24,528,639) and will continue to incur losses until achieving commercial production if its exploration program is successful in delineating a commercially viable ore reserve.

Cash-on-hand is minimal and cash calls are made to a director/related party (the "Lender") only 'as needed'. At December 31, 2020, the Company had cash of $8,664 (March 31, 2020 - $3,772) and liabilities of: accounts payables and accrued liabilities of $64,168 (March 31, 2020 – $92,337), due to related parties of $7,910 (March 31, 2020 - $19,210) and promissory notes and debt settlements of $572,910 (March 31, 2020 - $402,000).

The Lender continues to assist the Company with short-term advances to meet the Company's ongoing financial obligations. During the nine months ended December 31, 2020, cash calls were made to the Lender in the amount of $170,910 (2019 - $69,000) to pay down accounts payable and meet ongoing corporation and exploration costs. Share capital has remained constant since December 2017, as there have been no share issuances since that time; however, contributed surplus has increased due to the amortization of share-based compensation expense.

7.1.2 Operating Results and Financial Performance

For the nine months ended December 31, 2020, the Company posted a net loss of $131,778 (2019 - $137,897). The monthly G&A of approximately $10,000 is expended for management fees for two consultants, namely the CFO in Canada and the Accountant in Guatemala, rent, internet, website and telecommunications expenses, audit and tax accounting fees, TSX-V sustaining fees, SEDAR filing fees and transfer agent fees. Share-based compensation expense was significantly higher in 2019 as the Company was still expensing the amortization of the fair value for options granted in 2016. These options fully vested in fiscal 2019. Exploration expenses of $24,060 (2019 - $20,805) were higher in 2020 due to consulting fees paid in Guatemala for services related to the Company's operating permits. Core storage costs have remained constant for the last few years. Monthly costs of approximately $2,500 - $3,000, classified as 'exploration' expense, cover the salary of Firestone's Country Manager ("CM"), core storage rental fees, annual permit/license fees and some travel expenses for our CM to travel to Guatemala City to attend at the Ministry of Mines office, to oversee our banking and to meet with Firestone's lawyers, when warranted. During the Reporting Period, rates for the USD against the CAD fluctuated from $1.27 to $1.31. The Company buys USD, as needed, at market, to pay certain expenses. In the Reporting Period the intermittent purchasing of US currency resulted in a small foreign exchange loss of $1,181 being recorded (compared to a more favourable gain of $136 incurred in the comparable period in F2019). Professional fees and administrative expenses increased significantly year-over-year as a) the Company engaged a consultant to meet with legal counsel and representatives of the Ministry of Mines to complete the transfer of certain permits originally registered (and held in trust for Firestone) to a local Co-operative Society. Historically, this was the prescribed format for a non-resident company to be able to carry out exploration in Guatemala. The transfers were successfully completed in March 2020 and the resulting legal fees therein were billed to the Company in Q1/F2021. Additional fees were also incurred for Toronto counsel and transfer agent fees related to the 2020 AGM and other corporate matters.

Firestone shares office space and services with other public companies. Various overhead items such as rent are shared between different operating companies and billed out by a Service Provider ("ServiceCo"). Pursuant to negotiations with ServiceCo, certain services were reduced in March 2019, and the monthly services fee decreased from $5,000 to $3,000, accordingly. This reduction resulted in a credit to Office and Insurance in April 2019 as the Company had already prepaid the higher amount for January to March 2019. The lower administrative costs were partially offset by higher fees charged by the CFO who was engaged to perform more services. Regulatory fees and transfer agent expense were relatively constant year-over-year as no capital-related activities were undertaken and no annual special shareholders meeting ("ASM") was held until March 2020.

For the three months ended December 31, 2020, the Company posted a net loss of $32,804 (2019 - $43,510). The higher net loss in 2019 was principally due to a higher share-based compensation expense of $41,462 (versus $4,172 in 2020). As mentioned above, in 2019 the Company was still amortizing the fair value of stock options granted in 2018.

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

	Three months ended December 31,		**Nine months ended December 31,**	
	2020	2019	**2020**	2019
Professional and administrative fees	**$7,805**	$10,474	**$49,499**	$28,138
Management fees	**6,000**	6,000	**18,000**	18,000
Office and general	**5,356**	4,570	**14,643**	8,202
Regulatory and transfer agent	**4,763**	7,850	**10,683**	11,822
Investor relations and travel	**1,094**	1,307	**9,540**	9,605
	$25,018	$30,201	**102,365**	$75,767
Share-based compensation	**-**	6,366	**4,172**	41,462
TOTAL	**$25,018**	$36,567	**$106,537**	$117,228

Public company costs such as regulatory fees and monthly transfer agent fees are fixed, however Management continues to conserve cash wherever possible, while the Company endeavours to remain compliant with all regulatory and project maintenance and reporting requirements.

7.1.4 Exploration Expenses

	Three months ended December 31,		Nine months ended December 31,	
	2020	2019	**2020**	2019
Salaries and geological consulting	**$5,857**	$6,134	**$19,040**	$18,378
Core storage rentals, permits, travel	**1,574**	809	**5,020**	2,427
TOTAL	**$7,431**	$6,943	**$24,060**	$20,805

Firestone has professional services agreements with two professionals in Guatemala – a geologist who serves as our Country Manager ("CM") and a public accountant. These professionals ensure that all regulatory filings, both technical and administrative in nature, are submitted, on a timely basis. The compensation paid to the CM and the accountant have remained the same since 2014; any fluctuation in the recorded amounts for these expenses are a result of foreign exchange movement.

The core storage rentals expense was higher in Q1/F2021 due to timing difference of payments. Additionally, the CM incurred travel expenses to meet with the Ministers and lawyers for the purpose described above in Section 7.1.2. Management continues to monitor the mining environment in Guatemala while evaluating potential projects in other jurisdictions.

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, 2020, the Lender advanced $170,610 to the Company (compared to $69,000 for the same period in 2019). An additional cash call was made to the Lender in June 2020 to pay the legal and consulting fees incurred to ensure certain permits were transferred to the Company, for the Torlon Project. At December 31, 2020, the Lender is owed $572,910 (March 31, 2020 - $402,000). This indebtedness is non-interest-bearing and due is on demand.

There is no written commitment from the Lender to continue funding the Company's activities and the Company's ability to continue as a going concern is contingent on its ability to obtain additional financing. Attracting new capital continues to be a challenge for the Company but Management believes this is achievable with the right project.

8.0 RESULTS OF OPERATIONS – Exploration Activity Update

8.1.1 CURRENT PROJECTS

In order to explore in Guatemala, exploration companies need to acquire and maintain certain operating permits. As at December 31, 2020, the Company's exploration permit is current and paid up; however every exploration permit requires an accompanying environmental permit. This permit expired in March 2020 and up until recently, the travel restrictions and office closures associated with COVID 19 have prevented the Company from applying for a new permit. Fortunately Firestone's Country Manager now believes that conditions are more favourable to making such an application and he is planning to attend at the Ministry within the next 30 days. Historically this process has been routine in nature, and therefore the Company knows of no reason why this permit will not be renewed in due course. Accordingly, Management believes that 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.

8.1.2 HISTORIC FOCUS - TORLON HILL ZINC-LEAD-SILVER PROJECT, GUATEMALA

The Torlon Hill 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.

During the nine months ended December 31, 2020, the Company expended $24,060 (2019- $20,805) for salaries and geology consulting, core storage rentals, other costs related to permit maintenance and travel expenses. See Interim Financial Statements – note 8 - *Exploration expense.*

During the year ended March 31, 2015, the Company wrote down the carrying value of the Torlon project as the Company had no imminent future exploration plans for the properties. However, the Company continues to maintain, or has applied for, all the necessary permits should the Company recommence exploration activities.

8.1.3 OTHER PROPERTIES, GUATEMALA

In December 2008, the Company acquired a 100% interest in 12 exploration concessions in Guatemala for total consideration of 310,000 common shares. The concessions are subject to a 2% NSR in favour of the vendors, of which 1% may be purchased by the Company for US$1,250,000.

During the year ended March 31, 2014, the Company wrote down the carrying value of these other Guatemala properties as Management had no immediate exploration plans for them. However, Firestone continues to have applications awaiting approval from the Guatemala government, for several of these properties. Should Management agree to resume exploration on these properties in the future, Management believes the [permit] approvals would be obtained subject to payment of the required permit and license fees.

8.1.4 POTENTIAL PROJECT(S)

Management continues to examine and evaluate other potential prospects that might be synergistic with the Company's technical, administrative, and financial expertise.

9.0 QUARTERLY RESULTS

While the costs of maintaining Firestone as a public company are primarily fixed in nature, (e.g. tariffs for annual Exchange listing, SEDAR fees and transfer agent fees, are mandated), Management continues to conserve cash wherever possible and negotiate consulting and other fees where discretionary.

Foreign exchange gains and losses result primarily from the exchange of United States dollar - and Guatemalan quetzal - denominated monetary assets to Canadian dollars, which vary with changes in prevailing foreign exchange rates and cash balances. Historically, foreign exchange gains and losses have not been significant. See "Financial Risk Management - Currency Risk" for further discussion on the impact of foreign currency exchange rates on annual financial statements.

Nine months ended December 31, 2020 (the "Reporting Period")

The Company incurred a net loss of $131,778 for the Reporting Period, compared to a slightly higher net loss of $137,897 for the same period, in the prior year **("Prior Reporting Period")**. Some of the decrease year-over-year relates to timing of expenditure payments.

The share-based compensation expense was significantly higher in the Prior Reporting Period as the Company was still amortizing the fair value assigned to stock options granted in July 2018. This lower amortization expense was partially offset by higher costs in the Reporting Period for:

(i) $17,500 was spent in April 2020 for legal and consulting fees and expenses related to the transfer of title for exploration permits; and

(ii) $6,000 was incurred for the Annual and Special Meeting costs including legal and filing fees, printing and mailing costs, held in March but not billed until late April and early May.

The following summary of quarterly results are derived from the Interim Financial Statements prepared by Management.

	F2021			F2020				F2019
	Dec.	**Sep.**	**June**	**Mar.**	**Dec.**	**Sep.**	**June**	**Mar.**
	$	**$**	**$**	**$**	$	$	$	
G&A expenses, other than share-based compensation	**(25,018)**	(35,655)	(41,690)	(45,356)	(30,201)	(26,952)	(18,616)	(25,756)
Exploration expense	**(7,431)**	(8,280)	(8,349)	(9,892)	(6,943)	(6,852)	(7,010)	(7,807)
Share-based compensation exp.	**-**	(1,672)	(2,500)	(-)	(6,366)	(28,731)	(6,364)	12,875
Foreign exchange gain (loss)	**(355)**	(1,691)	865	(1,005)	(5)	(623)	765	(386)
Other income (loss)	**-**	-	-	-	-	-	-	(1)
Net loss and comprehensive loss	**(32,804)**	(47,298)	(51,674)	(56,253)	(43,515)	(63,158)	(31,225)	(21,075)
Basic and diluted loss per share	**$(0.00)**	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)	$(0.00)

Costs were lower in Q3 than previous quarters primarily due to the timing of invoices i.e. many annual expenses are billed and paid in the first six months of the fiscal year.

10.0 SHARE CAPITAL AND SHARE-BASED COMPENSATION

During the three and nine months ended December 31, 2020 and 2019, there were no share issuances. Total common shares issued and outstanding at December 31, 2020 and March 31, 2020 is 53,720,791. There are no warrants outstanding.

10.1 Stock Options

The Company maintains a stock option plan (the "Plan") under which directors, officers, employees and consultants of the Company and its affiliates are eligible to receive stock options. The maximum number of common shares reserved for issuance under the Plan is 10% of the issued shares of the Company at the time of granting the options.

i. For the nine months ended December 31, 2020 there were no new stock option grants.

ii. On July 26, 2019, the Company granted an aggregate of 750,000 stock options to a former officer/director who, since November 8, 2017, had been serving the Company, in an advisory capacity ("Advisor"). Each stock option allowed the option holder to acquire one common share of the Company at an exercise price of $0.06 until May 9, 2020. The options were not exercised and on May 9, 2020, the Advisor engagement and associated stock options expired.

iii. During the nine months ended December 31, 2020, the Company recorded $4,172 for the amortization expense related to stock options granted on July 26, 2018. These options vested fully on July 26, 2020. The following table summarizes the stock option activity for the nine months ended December 31, 2020 and the year ended March 31, 2020, and the Company's outstanding and exercisable stock at period end:

	Number of Options	Weighted Average Exercise Price
Balance - March 31, 2019	**3,850,000**	**$0.06**
Expired	(750,000)	$(0.05)
Issued	750,000	$(0.06)
Balance - March 31, 2020	**3,850,000**	**$0.06**
Expired	(750,000)	$(0.06)
Balance – December 31, 2020	**3,100,000**	**$0.06**

Issued Number of Options	Exercisable Number of Options	Exercise Price	Expiry Date	Estimated Fair Value
100,000	100,000	$0.05	July 29, 2021	$9,093
2,000,000	2,000,000	$0.05	July 29, 2021	$181,855
1,000,000	1,000,000	$0.075	July 26, 2023	71,133
3,100,000	**3,100,000**			**$261,081**

The weighted average contractual life remaining for stock options at December 31, 2020 is 1.22 (March 31, 2020 – 1.61) 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.

10.2 Restricted Stock Units ("RSU's")

At the November 8, 2017 Annual and Special Meeting, the shareholders of the Company approved a Restricted Stock Unit Incentive Plan, (the "RSU Plan") under which directors, officers, employees and consultants of the Company and its affiliates are eligible to receive RSU's. The maximum number of common shares reserved for issuance under the RSU Plan is 10% of the issued shares of the Company at the time of awarding the RSU's, or 4,612,079. As at December 31, 2020 no RSU's have been awarded.

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, 2020 was in deficiency of $619,599 (March 31, 2020 – deficiency of $491,993). $572,910 or 89% of the Company's current indebtedness is owed to Dr. Keith Barron, the principal's CEO and largest shareholder (32.57%). 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. Fluctuations in commodity prices, along with political and economic uncertainties in Guatemala, have influenced financial markets and made it difficult to raise capital there, in order to fund exploration. *See Section 19.0 – Other Risks and Uncertainties, for more information*. There were no financing opportunities during the Reporting Period and Management continues to rely on related party loans to meet its financial obligations.

In the meantime, Management continues to examine current and other potential projects while considering various financing alternatives therein, including reorganizations, mergers, sales of assets, and other forms of debt and equity financing. There is no assurance that any such activity will generate funds that will be available for operations.

Additionally, from a regulatory perspective, while the Company is not subject to any external capital requirements, it is subject to the rules of the TSX-V which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required to maintain operations and cover general and administrative expenses for a period of six months. At December 31, 2020, the Company is not compliant with the working capital policy of the TSX-V.

12.0 RELATED PARTY TRANSACTIONS

Management fees and service costs

(i) During the nine months ended December 31, 2020, a total of $18,000 (2019 - $18,000) plus HST was charged to the Company by a company controlled by the CFO, on account of accounting consulting fees and recorded as management fees. Included in account payables and accrued liabilities at December 31, 2020 is $4,510 (March 31, 2020 - $15,820) owed to the CFO for unpaid services).

(ii) During the nine months ended December 31, 2020, the Company incurred $27,000 (2019 - $27,000) of service costs, or $3,000 per month, provided by a ServiceCo. These costs were allocated in the condensed consolidated interim financial statements, as follows: $9,000 to office and general ($9,000 rent expense), $9,000 to professional and administration fees and $9,000 for other expenses categorized as investor relations and travel. Included in accounts payable and accrued liabilities at December 31, 2020 is $3,390 (December 31, 2019 - $9,040) owing to ServiceCo.

(iii) During the three months ended December 31, 2020, a total of $6,000 (2019 - $6,000) plus HST was charged to the Company by a company controlled by the CFO, on account of accounting consulting fees and recorded as management fees.

(iv) During the three months ended December 31, 2020, the Company incurred $9,000 of service costs, or $3,000 per month, provided by a ServiceCo. These costs were allocated in the condensed consolidated interim financial statements, as follows: $3,000 to office and general ($3,000 rent expense), $3,000 to professional and administration fees and $3,000 for other expenses categorized as investor relations and travel. The reduced costs are explained above in item (ii).

See notes 5, 6, and 13.

12.1 Key Management compensation

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.

The Chief Executive Officer ("CEO") receives no cash compensation and the cash compensation paid to the CFO is listed in table below. The directors receive no cash compensation however they are eligible to be awarded stock options and RSU's.

For the nine months ended December 31, 2020 and 2019, the following is the compensation recorded for Key Management:

	Three months ended December 31,		**Nine months ended December 31,**	
	2020	2019	**2020**	2019
Management consulting fees	**$6,000**	$6,000	**$18,000**	$18,000
Share-based compensation	**-**	6,365	**4,172**	41,462
TOTAL	**$6,000**	$12,365	**$22,172**	$59,462

13.0 PROMISSORY NOTES

(a) Promissory note advances

	Nine months ended December 31, 2020	Nine months ended December 31, 2019
Balance, beginning of period	**$402,000**	$287,000
Cash advances	**170,910**	69,000

Balance, end of period	**$572,910**	$356,000

For the nine months ended December 31, 2020, cash calls totalling $170,910 ($2019 - $69,000) were made to meet the ongoing corporate and exploration expenses of the Company.

(b) Due to related parties

See Section 12.0 – *Related Party Transactions*.

14.0 TREND INFORMATION

There are no major trends that are anticipated to have a material effect on the Company's financial condition and results of operations in the near future.

15.0 OFF-BALANCE SHEET ARRANGEMENTS

The Company has no off-balance sheet arrangements, no capital lease agreements and no long-term debt obligations.

16.0 PROPOSED TRANSACTIONS

As at December 31, 2020, the Company has no definitive transactions to acquire or dispose of any asset. However Management has been actively reviewing potential property acquisitions, investment and joint venture transactions and other opportunities.

17.0 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 so as to protect 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. The Company has lodged a GTQ 36,344 insurance bond ($5,936) 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. See Section 8.1.1. - *Current Projects*.

(b) Service Costs Agreement

ServiceCo2 provides rental space, investor relations, administrative and IT services to the Company at a monthly cost of $3,000 (2019 - $5,000). This agreement may be terminated by the Company with 90 days' written notice provided to ServiceCo2 of the Company's intention to terminate the agreement. See Section 12 – *Related Party Transactions*.

18.0 DISCLOSURE OF OUTSTANDING SHARE DATA

At March 1, 2021, Firestone has issued/granted:

- ✓ 53,720,791 common shares
- ✓ 2,100,000 stock options with an exercise price of $0.05, expiring July 29, 2021 and 1,000,000 stock options with an exercise price of $0.075, expiring July 26, 2023.

There are no warrants or RSU's issued.

19.0 ACCOUNTING POLICIES

See Annual Financial Statements - note 2 – *Significant Accounting Policies* for a detailed description of the adopted changes to certain accounting standards and policies made during the Reporting Period. These new standards and changes did not have any material impact on the Company's Interim Financial Statements.

20.0 INCOME TAXES

See Annual Financial Statements – *note 11 – Income Taxes* for details of the Company's provision for tax, tax losses and deferred tax position.

21.0 CAPITAL AND FINANCIAL RISK MANAGEMENT

21.1 Capital management

The Company considers the capital that it manages to include share capital, contributed surplus and deficit, which at December 31, 2020 was a deficit of $619,599 (March 31, 2020 - $491,993). 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 three months ended December 31, 2020.

The Company is not subject to externally imposed capital requirements by a lending institution or regulatory body, other than those of the TSX-V, which requires adequate working capital or financial resources of the greater of (i) $50,000 and (ii) an amount required in order to maintain operations and cover general and administrative expenses for a period of six months. At December 31, 2020, the Company is not compliant with the working capital policy of the TSX-V.

	Nine months ended December 31, 2020	Nine months ended December 31, 2019
Balance, beginning of period	**$402,000**	$287,000
Cash advances	**170,910**	69,000
Balance, end of period	**$572,910**	$356,000

The Company is operating on a care-and-maintenance basis. During the nine months ended December 31, 2020, the Lender advanced an aggregate of $170,910 (2019 - $69,000) in short-term advances to assist the Company to meet its financial obligations. As at year end, the Company does not have sufficient funds to continue operating in the normal course and continues to rely on short-term loans from the Lender to meet its ongoing financial commitments.

At December 31, 2020, 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.

21.2 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.

(a) 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.

(b) 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, and disposition of assets or JV partnerships.

At December 31, 2020, the Company had $8,664 in cash to settle $64,168 of accounts payable and accrued liabilities, $7,910 due to related parties and $572,910 of promissory notes (March 31, 2020 -

$3,372 in cash to settle $92,337 of accounts payable and accrued liabilities, $19,210 due to related parties and $402,000 of promissory notes).

Working capital will continue to fluctuate until the Company has achieved profitable levels of operations and profitability will not occur within the next twelve months; therefore, Management will need to raise additional funds to finance corporate and exploration expenditures.

(c) 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.

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, 2020 and March 31, 2020, 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, 2020	March 31, 2020
Cash	**$2,773**	$220
Accounts payable and accrued liabilities	**(14,330)**	(30,585)
Net exposure	**$(11,557)**	$(30,365)

(d) 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 and copper commodities. 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. At December 31, 2020 and 2019, the Company was not a metals commodity producer.

(e) Sensitivity analysis

As of December 31, 2020, and March 31, 2020, both the carrying and fair value amounts of the Company's financial instruments are approximately equivalent due to their short-term nature. Based on Management's knowledge and experience of the financial markets, the Company believes that a 10% strengthening of the Canadian dollar against the USD and GTQ would have increased the net asset position of the Company at December 31, 2020 by $1,156 (March 31, 2020 by $3,037). A 10% weakening of the Canadian dollar against the same would have had an equal but opposite effect.

(f) Fair value of financial instruments

The Company's financial instruments include cash, amounts receivable, accounts payable and accrued liabilities, due to related parties and promissory notes. The fair values of cash, amounts receivable, accounts payable and accrued liabilities, due to related parties 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.

See Annual Financial Statements note 2(f) – *Financial Instruments*

22.0 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 mining and 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.

Novel Coronavirus ("COVID-19")

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of a contagious disease, including the recent outbreak of respiratory illness caused by COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the ultimate geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries.

The Company has mitigated some of this risk by a) Management and consultants are working from home b) Strictly complying with municipal, provincial, state and federal recommendations and policies

c) Social distancing and hygiene adherence and d) Keeping apprised of the outbreaks and improvements in Guatemala and Canada.