MANAGEMENT'S DISCUSSION AND ANALYSIS OF
FINANCIAL CONDITION AND RESULTS OF OPERATIONS
NINE MONTHS ENDED DECEMBER 31, 2022
(Expressed in Canadian Dollars unless otherwise indicated)

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, 2022 (the "Reporting Period") of Firestone Ventures Inc. ("Firestone" or the "Company"). This MD&A is prepared as of March 1, 2023, unless otherwise indicated and should be read in conjunction with the annual consolidated financial statements for the year ended March 31, 2022, and the notes related thereto ("Annual Financial Statements") and the condensed consolidated interim financial statements for the nine months ended December 31, 2022 ("Interim Financial Statements"), both of 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 - *Results of Operations - Exploration Activity Update*

3.0 REPORT DATED: March 1, 2023

4.0 CORPORATE INFORMATION

Corporate Office (NEW)

8 King St East, Suite 1800,
Toronto, ON, M5C 1B5
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, Management and Advisors

Dr. Keith Barron – Chairman, President & CEO, Director
Donna McLean – Chief Financial Officer
Warren Boyd – 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 NEX Board ("TSX-V") ("NEX") under the symbol FV.H and the Frankfurt Stock Exchange under the symbol F5V.

MANAGEMENT'S DISCUSSION AND ANALYSIS
NINE MONTHS ENDED DECEMBER 31, 2022

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

Guatemala Assets Sold

In 2021, Management determined that the long-time-held Guatemala assets met the criteria of being 'held for sale' assets, as their carrying amount would be more likely be recovered principally through their divestiture and not by continued utilization. Having made this determination and pursuant to *IFRS 5, Non-Current Assets Held for Sale and Discontinued Operations*, the Annual and Interim Financial Statements of the Company were then reclassified to reflect the discontinued operations of FESA.

On December 17, 2021 the Company completed the sale of all of the outstanding shares of FESA to an arms' length party for cash consideration of US$500,000 (the "Shares Sale" or "Transaction"). The entries recorded in the accounting records of the Company, for the Transaction were as follows:

Net Assets		**Total**
Cash		$5,067
Accounts payable and accrued liabilities		(12,957)
		$(7,890)
	USD	**CAD**
Cash received	500,000	633,628
Net assets acquired		(7,890)
Gain on sale of FESA		625,738

Upon consolidation cumulative inter-entity balances and transactions, including advances to the subsidiary, were eliminated.

As a condition of the closing of the Shares Sale, a severance payment in the amount of $38,135 was paid to the long-serving Country Manager. There are no other obligations residual to the Shares Sale.

See note 4 – *Sale of FESA and Discontinued Operations* in the Interim Financial Statements for an accounting of the assets and liabilities, results of operations and cash flows for the discontinued operations at and for the nine months ended December 31, 2022 and 2021.

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 (including results from continuing and discontinued operations combined).

As at	December 31, 2022	March 31, 2022
Cash	**$563,447**	$624,330
Working capital (deficiency)	**$(153,991)**	$(98,314)
Total assets	**$586,596**	$647,269
Total liabilities	**$(740,587)**	$(745,583)
Deficit	**$(24,528,549)**	$(24,394,101)

	Nine months ended December 31,	
	2022	2021
General and administrative expenses excluding share-based compensation ("G&A")	**$101,661**	$113,891
Share-based compensation	**78,771**	90,149
Exploration expenses	**-**	568
Foreign exchange (gain) loss	**(45,984)**	1,856
Gain on sale of FESA shares	**-**	(636,409)
Net loss (income) and comprehensive loss (income) from continuing operations	**$134,448**	$(429,945)
Net loss (income) and comprehensive loss (income) from discontinued operations	**-**	70,861
Total net loss (income) and comprehensive loss (income)	**$134,448**	$(359,084)
Basic and diluted loss (income) per share	**$0.00**	$(0.01)

	Three months ended December 31,	
	2022	2021
General and administrative expenses excluding share-based compensation ("G&A")	**$29,399**	$42,841
Share-based compensation	**11,682**	90,149
Exploration expenses	**-**	568
Foreign exchange (gain) loss	**12,100**	1,530
Gain on sale of FESA shares	**-**	(636,406)
Net loss (income) loss and comprehensive loss (income) from continuing operations	**$53,181**	$(501,318)
Net loss (income) and comprehensive loss (income) from discontinued operations	**-**	52,107
Total net loss (income) and comprehensive loss (income)	**$53,181**	$(449,211)
Basic and diluted loss (income) 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, Firestone does not generate revenue. At December 31, 2022, the Company had accumulated losses of $24,528,549 (March 31, 2022 – $24,394,101) and will continue to incur losses until achieving commercial production if its exploration program is successful in delineating a commercially viable ore reserve.

At December 31, 2022, the Company had cash of $563,447 (March 31, 2022 - $624,330) and liabilities of: accounts payables and accrued liabilities of $77,430 (March 31, 2022 – $60,081), due to related parties of $23,335 (March 31, 2022 - $45,680) and promissory notes of $639,822 (March 31, 2022 - $639,822).

Prior to the Shares Sale, the Lender assisted the Company with short-term advances to meet the Company's ongoing financial obligations. During the nine months ended December 31, 2022, cash calls were made to the Lender in the amount of $nil (2021 - $66,912) to pay down accounts payable and meet ongoing corporate and exploration costs. In the current period, there was no change to share capital; in the same period in 2021, share capital increased following the exercise of 2,100,000 stock options. In the current period contributed surplus increased as share-based compensation of $78,771 was recorded for the amortization of stock options that vested during the period. Conversely, in the same period in 2021, contributed surplus decreased due to the fair value of the stock options exercises being reclassified back to share capital.

7.1.2 Operating Results and Financial Performance for the nine months ended December 31, 2022 and 2021 ("Q3/2023").

Cash on hand decreased in Q3/2023 from year-end March 2022, from $624,330 to $563,447. Cash was used to meet the ongoing corporate costs. Accounts receivable are principally the refunds expected for harmonized sales tax, for prior periods. Payables are incurred in the normal course and generally paid within 30 days. Some of the funds received on the completion of the Transaction were used to pay down aged payables and sums owing due to related parties. Sale proceeds from the Transaction continue to be used to pay the ongoing corporate costs and therefore no cash calls to the Lender were necessary during Q3/2023. Various overhead items such as rent are shared between different operating companies and billed out by a Service Provider ("ServiceCo"). The monthly rate for the services provided by ServiceCo, year-over-year has remained unchanged at $3,000 per month. ServiceCo has leased new space and effective December 1st, Firestone's corporate office is now located at 8 King St. East, Ste. 1800, Toronto, ON. Management fees remained constant year-over-year. Firestone's directors continue to receive no directors' fees however they are eligible for grants under the Company stock option plan "SOP").

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

There were no exploration and evaluation expenditures ("E&E") incurred during Q3/2023 as the Company sold its project of merit last December.

For the nine months ended December 31, 2022 (Q3/23):

- Professional and administrative fees were higher in Q3/23 due to an unanticipated increase to the annual audit fee charged for the year ended March 31, 2022. A dire shortage of staff and resources within public auditing firms has resulted in significant audit fee increases to public companies such as Firestone. This was partially offset by the higher legal fees paid in the prior year related to the Transaction. Office and insurance expenses remained constant period over period. Regulatory and transfer agent fees were significantly higher in Q3/22 for filing fees and government levies incurred in Guatemala, associated with the Transaction. There were no stock option grants in Q3/2023 but in November 2021, a total of 1,950,000 stock options were granted to directors and a consultant. A total of $78,771 was recorded in Q3/23 as the share-based compensation expense for these options. IFRS allows that the total fair value recorded for these options should be amortized over the period of vesting (two years). All commitments or obligations in Guatemala ceased upon closing of the Transaction.

For the three months ended December 31, 2022:

- Professional and administrative fees were higher in the third quarter in 2022, primarily due to costs associated with due diligence of document preparation for the Transaction. Higher investor relations and travel costs were also higher in the same quarter in 2022 for the reasons discussed above and in some cases the timing of the recorded expense may slightly skew the reported results. Finally regulatory and transfer agent costs were significantly higher in the third quarter in 2022 for expenses related to the Transaction and the costs of hosting the Annual General Meeting ("AGM") of Shareholders held in mid-December 2021. All resolutions proposed at the AGM were approved.

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 ("E&E")

There were no E&E expenditures incurred during Q3/23. E&E expenditures are comprised of compensation of the Country Manager and storage costs for the historic drill core. Effective as the Date of Sale, all financial and filing obligations of the Guatemala operations ceased. In the final agreement of purchase and sale, the Purchaser agreed to indemnify the Company against any future claims or demands on the Company. Management continues to evaluate prospective projects for the Company.

7.1.5 Cash Flows and Financing Activities

During the Reporting Period, the proceeds of the Transaction were used to meet the financial obligations of the Company. During the same period in the prior year, the Lender advanced $66,912 to the Company for that purpose. At December 31, 2022, the Lender is owed $639,822 (March 31, 2022 - $639,822). This indebtedness is non-interest-bearing and due 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 as needed, for operations and acquisitions. 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

After seven years of maintaining the Torlon project property mineral interests, and after a careful strategic review of the prospects of the Torlon project, Firestone's Management determined that the long-time-held Guatemala assets better met the criteria of being 'held for sale' assets, as it was concluded that their carrying amount or fair value would be recovered principally through their divestiture and not by continued utilization. Pursuant to IFRS 5, *Non-Current Assets Held for Sale and Discontinued Operations*, the condensed consolidated interim financial statements of the Company have been reclassified to reflect the discontinued operations of FESA.

On December 17, 2021, the Company completed the Transaction for cash consideration of US$500,000. With no project of merit held, 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.

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

	F2023			F2022				F2021
	Dec	Sep	Jun	Mar	Dec	Sep	Jun	Mar.
	$	$	$	$	$	$	$	$
G&A expenses, other than share-based compensation	**(29,398)**	(42,524)	(29,739)	(31,198)	(46,745)	(38,791)	(34,092)	(36,730)
Exploration expense	**(-)**	(-)	(-)	(927)	(48,772)	(8,651)	(8,804)	(6,267)
Gain on sale of FESA	**-**	-	-	-	625,538	-	-	-
Share-based compensation exp.	**(11,683)**	(38,183)	(28,905)	(22,320)	(90,149)	-	-	-
Foreign exchange gain (loss)	**(12,100)**	43,034	15,050	16,444	(1,530)	-	210	(902)
Net income (loss)	**(53,181)**	(37,673)	(43,594)	(38,001)	438,342	(47,442)	(51,674)	(43,899)
Basic and diluted inc./(loss) per share	**$(0.00)**	$(0.00)	$(0.00)	$(0.00)	$0.01	$(0.00)	$(0.00)	$(0.00)

10.0 SHARE CAPITAL AND SHARE-BASED COMPENSATION

During the nine months ended December 31, 2022, nil (2021 – 2,100,000) common shares were issued for the exercise of 2,100,000 stock options. There are no share issuances year to date. As at December 31, 2022, there are 56,320,791 common shares issued and outstanding. There are no issued and outstanding warrants.

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. On November 16, 2021, the Company granted 1,950,000 stock options to directors, officers and a consultant as permitted by the Plan. Each stock option allows the grantees to acquire one common share of the Company at an exercise price of $0.13 until November 16, 2026. The options vested 1/3 on the date of grant, 1/3 on the first anniversary on the grant date and the remaining third vest on the second anniversary of the date of grant. The options were estimated to have a fair value of $208,764 on the grant date, using the Black-Scholes option pricing model, based on the following assumptions: expected volatility of 118.96%; expected useful life of 5 years, risk free rate of 1.56%; expected dividend yield of 0%; and share price of $0.13. During the nine months ended December 31, 2022, $78,771 was recorded as share-based compensation expense and a total of $191,260 has been recorded as share-based compensation since the date of grant.

ii. Between December 2021 and February 2022, a total of 2,600,000 stock options were exercised for proceeds of $142,500.

iii. There were no stock option grants during the nine months ended December 31, 2022 and 2021.

The following table summarizes the Company's outstanding and exercisable stock at Reporting Period End:

Issued Number of Options	Exercisable Number of Options	Exercise Price	Expiry Date	Estimated Fair Value
500,000	500,000	$0.075	July 26, 2023	$35,567
1,950,000	1,300,000	$0.13	November 16, 2026	$208,764
2,450,000	**1,800,000**			**$244,331**

The weighted average contractual life remaining for stock options at December 31, 2022 is 3.20 (2021 – 1.95) 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")

The Company has 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. At December 31, 2022 and March 31, 2022, 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, 2022 was in deficiency of $153,991 (March 31, 2022 – $98,314). A total of $653,382 or 88% of the Company's current indebtedness is owed to Dr. Keith Barron, the Company's principal shareholder (32%) who serves as Chairman and CEO.

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.

12.0 RELATED PARTY TRANSACTIONS

Management fees and service costs

(i) During the nine months ended December 31, 2022, a total of $18,000 (2021 - $18,000) 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, 2022 is $9,775 (March 31, 2022 - $13,550) owed to the CFO for unpaid services and reimbursable expenses.

During the three months ended December 31, 2022, a total of $6,000 (2021 - $6,000) was charged to the Company by a company controlled by the CFO, on account of accounting consulting fees and recorded as management fees.

(ii) During the nine months ended December 31, 2022, the Company incurred $27,000 of service costs, or $3,000 per month, provided by ServiceCo. Included in account payables and accrued liabilities at December 31, 2022 is $13,560 (March 31, 2022 - $32,130) owed to ServiceCo. for unpaid services fees. These costs were allocated in the consolidated financial statements, as follows: $9,000 to office and general (including $9,000 rent expense), $9,000 to professional and administration fees and $9,000 for other expenses categorized as investor relations and travel.

During the three months ended December 31, 2022, the Company incurred $9,000 of service costs, or $3,000 per month, provided by ServiceCo

See note 12 in the Interim Financial Statements - *Commitments and Contingencies*.

All amounts owed to these related parties are unsecured, non-interest-bearing and due on demand.

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, 2022, the following is the compensation recorded for Key Management:

For the nine months ended	**December 31,**	
	2022	2021
Management consulting fees	**$18,000**	$18,000
Share-based compensation	**78,771**	91,149
	$96,771	$109,149

See Section 17.0 - *Commitments and Contingencies.*

13.0 PROMISSORY NOTES

(a) Promissory note advances

	Nine months ended December 31, 2022	Year ended March 31, 2022
Balance, beginning of period	**$639,822**	$572,910
Cash advances	**-**	66,912
Balance, end of period	**$639,822**	$639,822

For the nine months ended December 31, 2022, cash calls to the Lender of $nil (2021 - $66,912) were made to meet the ongoing corporate and exploration expenses of the Company.

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, 2022, the Company has no definitive transactions to acquire or dispose of any assets, 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.

(b) Service Costs Agreement

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

(c) Advisor Agreement

See note 12(c) – Commitments and Contingencies.

18.0 DISCLOSURE OF OUTSTANDING SHARE DATA

At March 1, 2023, Firestone has issued/granted:

- ✓ 56,320,791 common shares
- ✓ 2,450,000 stock options, with exercise prices from $0.075 to $0.13, expiring from July 26, 2023 to November 16, 2026.

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, other than reclassifying the operations of FESA as a discontinued operation, did not have any material impact on the Company's Annual 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, 2022, was a deficiency of $153,991 (March 31, 2022 - $98,314). 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, 2022 and 2021.

During the nine months ended December 31, 2022, the Company continued to draw down on the net proceeds of the Shares Sale to meet its financial obligations. In the same period in the prior year, the Company relied on Related Party loans of $66,912 to pay its bills. As at period end, the Company has sufficient funds to continue operating in the normal course, in the near term.

See Section 5.0 - *Description of Business.*

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 operations profitability will not occur within the next twelve months, continued operations are dependent upon its ability to raise adequate financing. Successful completion of the Transaction will result in adding USD$500,000 (less any costs related to the sale), to Treasury.

As the Company has no producing assets, continued operations are dependent upon its ability to raise adequate financing in the market, through short-term debt or by the disposition of assets.

As at December 31, 2022, the Company had $563,447 in cash to settle $77,430 of accounts payable and accrued liabilities, $23,335 due to related parties and $639,822 of promissory notes (March 31, 2022 - $624,330 in cash to settle $60,081 of accounts payable and accrued liabilities, $45,680 due to related parties and $639,822 of promissory notes).

Working capital will continue to fluctuate until the Company has achieved profitable levels of operations and profitability. Dependent on the Company's business strategy for the next twelve months, Management may need to raise additional funds to finance future acquisitions and 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.

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.

i. 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, 2022 and 2021, the Company's exposure to foreign currency risk with respect to amounts denominated in USD and GTQ, was substantially as follows:

	USD		GTQ	
In Canadian $ equivalents	**December 31,**		**December 31,**	
	2022	2021	**2022**	2021
Cash	**$556,350**	$649,367	**$-**	$-
Accounts payable and accrued liabilities	**(-)**	(12,958)	**-**	-
Net exposure	**$556,350**	$636,409	**$-**	$-

(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, 2021 and 2020, the Company was not a metals commodity producer.

(e) Sensitivity analysis

As of December 31, 2022 and 2021, 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 would have decreased the net asset position of the Company at December 31, 2022 by $55,635 (2021 - $63,641) and against the GTQ would have increased the net asset position of the Company by $nil (2021 - $811). 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 ore bodies. 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

If the future property interests of the Company should be located outside of Canada, Management is aware of the potential risk of foreign investment, including increases in taxes and royalties, renegotiation of permits and currency exchange fluctuations.

The Company would mitigate foreign country risk by keeping apprised of the local economic policies and political climate and would rely on certain professional 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")

Since March 2020 there has been a continuing global outbreak of COVID-19 which has had a significant impact on businesses through the restrictions put in place by the Canadian and Guatemalan governments regarding travel, business operations and isolation/quarantine orders. At this time, it is unknown the extent of the impact the COVID-19 outbreak may have on the Company as this will depend on future developments that are highly uncertain and that cannot be predicted with confidence. These uncertainties arise from the inability to predict the ultimate geographic spread of the disease, and the duration of the outbreak, including the duration of travel restrictions, business closures or disruptions, and quarantine/isolation measures that are currently, or may be put, in place by Canada and other countries to fight the virus.

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 (vaccinations) in Canada and other jurisdictions.