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**FireFox Gold Corp.**  
**Management Discussion and Analysis**  
**For the year ended December 31, 2018 and the period**  
**from incorporation on June 16, 2017 to December 31, 2017**  
**(Expressed in Canadian dollars)**

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**FIREFOX GOLD CORP.**

*Management Discussion and Analysis*

December 31, 2018

**MANAGEMENT DISCUSSION AND ANALYSIS**

**YEAR ENDED DECEMBER 31, 2018**

**INTRODUCTION**

The Management Discussion & Analysis has been prepared by management and reviewed and approved by the Board of Directors on April 29, 2019. The following discussion of performance, financial condition and future prospects should be read in conjunction with the audited annual financial statements and the related notes thereto for the year ended December 31, 2018. The information provided herein supplements but does not form part of the financial statements. This discussion covers the year ended December 31, 2018 and the subsequent period up to April 29, 2019, the date of issue of this MD&A. Monetary amounts in the following discussion are in Canadian dollars unless otherwise noted.

Additional information regarding the Corporation can be found on the Corporation's page at [www.sedar.com](http://www.sedar.com).

*The technical information presented herein has been reviewed by Dr. Petri Peltonen Ph.D., Chartered Professional of Australian Institute of Mining and Metallurgy (AusIMM), European Geologist (EurGeol), a consultant to the Corporation, and a qualified person as defined by National Instrument 43-101.*

This MD&A contains Forward Looking Information.  
Please read the Cautionary Statements on page 3 carefully.

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#### **FORWARD LOOKING STATEMENTS**

*This MD&A contains certain forward-looking statements or forward-looking information within the meaning of applicable Canadian securities laws. All statements and information, other than statements of historical fact, included in or incorporated by reference into this MD&A are forward-looking statements and forward-looking information, including, without limitation, statements regarding activities, events or developments that we expect or anticipate may occur in the future. Such forward-looking statements and information can be identified by the use of forward-looking words such as "will", "expect", "intend", "plan", "estimate", "anticipate", "believe" or "continue" or similar words and expressions or the negative thereof. There can be no assurance that the plans, intentions or expectations upon which such forward-looking statements and information are based will occur or, even if they do occur, will result in the performance, events or results expected.*

*The forward-looking statements and forward-looking information reflect the current beliefs of the Corporation, and are based on currently available information. Accordingly, these statements are subject to known and unknown risks, uncertainties and other factors which could cause the actual results, performance or achievements of the Corporation to be materially different from any future results, performance or achievements expressed in or implied by the forward-looking statements. This forward-looking information includes estimates, forecasts, plans, priorities, strategies and statements as to the Corporation's current expectations and assumptions concerning, among other things, ability to access sufficient funds to carry on operations, compliance with current or future regulatory regimes, particularly in the case of ambiguities, financial and operational performance and prospects, collection of receivables, anticipated conclusions of negotiations to acquire projects or investments, our ability to attract and retain skilled staff and consultants, expectations of market prices and costs, expansion plans and objectives, requirements for additional capital, the availability of financing, and the future development and costs and outcomes of the Corporation's projects or investments. The foregoing list of assumptions is not exhaustive. Events or circumstances could cause actual results to vary materially.*

*We caution readers of this MD&A not to place undue reliance on forward-looking statements and information contained herein, which are not a guarantee of performance, events or results and are subject to a number of risks, uncertainties and other factors that could cause actual performance, events or results to differ materially from those expressed or implied by such forward-looking statements and information. These factors include: unanticipated future operational difficulties (including cost escalation, unavailability of materials and equipment, industrial disturbances or other job action and unanticipated events related to health, safety and environmental matters); social unrest; failure of counterparties to perform their contractual obligations; changes in priorities, plans, strategies and prospects; general economic, industry, business and market conditions; disruptions or changes in the credit or securities markets; changes in law, regulation, or application and interpretation of the same; the ability to implement business plans and strategies, and to pursue business opportunities; rulings by courts or arbitrators, proceedings and investigations; inflationary pressures; and various other events, conditions or circumstances that could disrupt the Corporation's priorities, plans, strategies and prospects including those detailed from time to time in the Corporation's reports and public filings with the Canadian securities administrators, filed on [SEDAR](#).*

*This information speaks only as of the date of this MD&A. The Corporation undertakes no obligation to revise or update forward-looking information after the date of this document, nor to make revisions to reflect the occurrence of future unanticipated events, except as may be required under applicable securities laws or the policies of the TSX-V exchange.*

## **FIREFOX GOLD CORP.**

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## **THE CORPORATION**

The principal business of FireFox Gold Corp. (“FireFox” or “the Corporation”) is the exploration and development of mineral properties in Finland. The Corporation owns or has options to purchase several exploration-stage properties in the country, further described in the following pages.

FireFox was incorporated in the Province of British Columbia on June 16, 2017, under the name Silverstone Resources Corp. The Corporation’s name was changed to FireFox Gold Corp. on August 23, 2017. The Corporation is a reporting issuer in British Columbia, and Alberta. The Corporation trades on the TSX Venture Exchange under the symbol FFOX and the Frankfurt Stock Exchange under the symbol FIY.

### ***Plan of arrangement***

The Corporation was a wholly-owned subsidiary of Anacott Resources Corp. (“Anacott”) until a plan of arrangement was completed on July 28, 2017 under which the Corporation’s common shares were distributed to shareholders of Anacott on a pro-rata basis.

### ***Share issuance activities***

On incorporation, the Company issued 7,113,010 shares for cash of \$71. This share figure was reduced by 1,579 shares due to fractional rounding during the plan of arrangement.

On August 1, 2017, the Company issued 6,000,000 shares to Magnus Minerals Ltd. (“Magnus”) in exchange for an option to earn a 100% interest in each of the Riikonkoski (East and West), Jeesiö (including Jeesiö West) and Ylöjärvi (including Oks) projects, which are located in Finland.

In September, October, and November 2017, the Company issued 6,936,837 shares at various prices in exchange for gross cash proceeds of \$1,481,251, less share issuance costs of \$12,032.

On February 1, 2018, 400,000 shares valued at \$120,000 were issued to Aurora as part of the agreement to acquire a 100% interest in the Mustajärvi Project.

In May and June 2018, the Company closed the first two tranches of a private placement by having issued 1,762,230 Units of the Company for gross proceeds of \$616,781, less share issuance costs of \$47,958. Each Unit consisted of one common share of the Company, and one half warrant to purchase an additional common share in the Company for the price of \$0.45 for 2 years. Included in share issuance costs were 78,459 broker warrants, exercisable at \$0.35 for 2 years.

On July 9, 2018, the Company closed the third and final tranche of the May and June 2018 private placement by issuing 352,000 Units of the Company for gross proceeds of \$123,200. Each Unit consists of one common share of the Company, and one half-warrant to purchase an additional common share in the Company for the price of \$0.45 for 2 years.

On September 13, 2018, the Company issued 1,500,000 common shares, valued at \$525,000, to Magnus pursuant to the Seuru Option Agreement.

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#### ***Initial public offering***

On December 21, 2018, the Corporation completed an initial public offering (“IPO”) by issuing 5,275,000 Units of the Corporation at a price of \$0.40 per Unit for gross proceeds of \$2,110,000, less share issuance costs of \$743,027. Each Unit consists of one common share of the Corporation, and one half-warrant to purchase an additional common share in the Corporation for the price of \$0.60 for 2 years. Included in share issuance costs are 306,750 broker warrants, exercisable at \$0.40 for 2 years, and 50,000 broker Units, which have the same terms as the IPO Units.

#### ***Subsequent event***

On January 11, 2019, the Company issued 187,500 warrants for gross proceeds \$11,250, less share issuance costs of \$3,288. Each warrant is exercisable at \$0.60 until December 21, 2020.

## **PROPERTY DESCRIPTIONS**

#### ***Finland exploration properties***

On August 1, 2017, the Corporation entered an agreement with Magnus, a company incorporated under the laws of Finland, whereby Magnus granted FireFox an exclusive right and option to earn and acquire a 100% interest in each of the Riikonkoski (East and West), Jeesiö (including Jeesiö West) and Ylöjärvi (including Oks) projects (the “RJY Properties”), which are located in Finland and currently owned by Magnus (the “Option Agreement”).

Pursuant to the Option Agreement, FireFox is required to:

- (i) issue 6,000,000 common shares to Magnus (issued, Note 7(b));
- (ii) incur \$2.5 million in exploration expenditures on the RJY Properties as follows:
  - a. \$300,000 by August 31, 2018 (fully spent at December 31, 2017);
  - b. an additional \$600,000 by August 31, 2019 (fully spent at December 31, 2018); and
  - c. an additional \$1,600,000 by August 31, 2020 (\$565,000 spent at December 31, 2018);
- (iii) grant Magnus a 1.5% net smelter return royalty (“NSR”), which may be reduced to 1% by the payment to Magnus of 1,000 troy ounces of gold within 90 days of publishing a positive feasibility study; and
- (iv) make an aggregate amount of \$250,000 in cash payments to Magnus as follows:
  - a. \$30,000 by December 1, 2018 (paid at December 31, 2018);
  - b. \$60,000 by August 31, 2019; and
  - c. \$160,000 by August 31, 2020.

The Option Agreement also provides that if FireFox exercises the Option, FireFox will be obligated to pay Magnus an additional payment, equal to the value of 1,000 troy ounces of gold, within 12 months of the commencement of commercial production. Pursuant to the Option Agreement, Magnus has agreed to provide mineral exploration services to FireFox. At any time, FireFox may elect to stop making payments under the Option Agreement, which would result in the termination of the Option Agreement. Upon termination of the Option Agreement, FireFox would forego all of its rights to the RJY Properties and any payments (including the issuance of shares) already made to Magnus or expended on the RJY Properties.

Carl Löfberg, Managing Director of Magnus, is a director and the President and CEO of FireFox.

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Under the option agreement with Magnus, FireFox acquired 100% exploration rights to three distinct gold tenement packages, namely “Ylöjärvi” located in Southern Finland, and “Riikonkoski” and “Jeesiö” both within the Central Lapland Greenstone Belt in Northern Finland. During the year ended December 31, 2018, the Corporation allowed the rights to explore most of the Riikonkoski property to lapse in order to prioritize exploration on Ylöjärvi and Jeesiö.

#### Ylöjärvi property

The Corporation’s Ylöjärvi property (106.65 km<sup>2</sup> in total size) includes areas secured by either a valid reservation or exploration permit application. Ylöjärvi is located in the western branch of the Tampere Schist Belt, a volcano-sedimentary belt well-known for its historical and active gold mining.

The now closed Haveri Gold Mine, located only 200 meters from the Corporation’s reservation boundary, produced approximately 142,000 ounces gold and 6,000 t copper before being closed in 1960. Remaining mineral resources at Haveri are estimated to be 24.7Mt @ 0.89 g/t Au (reported in compliance with NI43-101 by a previous operator). Also, FireFox’s reservation surrounds the area of the historical Ylöjärvi Mine that produced small amounts of Cu, Au, Ag and W between 1943-1966. Some 30 kilometers east from Ylöjärvi, along the same sericite-altered volcanic sequence, Dragon Mining Ltd. (ASX: DRA) is operating its Orivesi Gold Mine that has produced in excess of 500,000 ounces gold.

*FireFox cautions that being near a past-producing mine, with a resource, does not indicate that mineralization will occur on FireFox’s property, and if mineralization does occur, that it will occur in sufficient quantity or grade that would result in an economic extraction scenario. These facts were simply used to help prioritize the acquisition of these mineral rights.*

In-house exploration targeting work emphasised the strong similarities in the chemical composition, style of alteration and structures of the volcanic sequences, and till and soil geochemistry of the Corporation’s property with those features observed near the gold mines of the region. In addition, the presence of numerous high grade glacial erratics and gold anomalies in till or soil imply the general prospectivity of the area. Additional exploration work will have to be performed in order to ascertain whether there is significant mineralization associated with these initial indicators.

The area of the Ylöjärvi tenement has seen only minor exploration work in the past. During the 2017 field season the Corporation conducted reconnaissance geological mapping, till sampling and Self Potential (SP) line surveys on selected targets. New grab samples assayed up to 7 g/t Au (7 samples exceeded 1g/t Au, and 17 samples had > 0.1 ppm Au), and FireFox was able to verify the extension of one of the historical drilled prospects (“Oks”) by another 1,000 meters along strike. Geological teams returned to these areas during the spring of 2018 to conduct additional sampling and geophysics, results from which will be reported upon receipt.

The Corporation conducted additional mapping and percussion drill bottom-of-till (“BOT”) sampling in order to further delineate these anomalies before finalizing details for a diamond core drill testing program. The total number of new samples was 179.

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#### Riikonkoski property

The second property, Riikonkoski, has been secured by two large valid reservations and three smaller exploration permit applications, all within or adjacent to the Sirkka Gold Line. The most recently added of these blocks, "Saattopora," is further described below. The Sirkka Gold Line is a pronounced Au-deposition controlling structure within the Central Lapland Greenstone Belt. In the immediate vicinity of the Riikonkoski tenement, two closed mines, Saattopora Au-Cu mine and Sirkka Cu-Ni-Co-Au-Ag mine, have been operated in the past. Further away, 22 kilometers northeast, Agnico Eagle Ltd. (TSE:AEM) is currently operating its Kittilä Gold Mine, with mineral resource of approximately 5 million ounces of gold.

In December 2017, the Corporation added a new tenement block ("Saattopora") into the Riikonkoski Project. The Saattopora reservation is located further west along the Sirkka Gold Line, relative to the Corporation's two other reservation blocks, and is 16.9 km<sup>2</sup> in size. The new reservation block partially surrounds the historic Saattopora Mine, held by Outokumpu Oyj. The now-idled Saattopora Mine produced approximately 220,000 oz Au and 5,650 t Cu between 1988-1995. The newly acquired tenement near Saattopora includes data from 39 historical diamond drill holes, which the Corporation intends to review in the near future.

*FireFox cautions that being near a past-producing mine, or a historical mineral resource or reserve, does not indicate that mineralization will occur on FireFox's property, and if mineralization does occur, that it will occur in sufficient quantity or grade that would result in an economic extraction scenario. These facts were simply used to help prioritize the acquisition of these mineral rights.*

#### Jeesiö property

The third property, Jeesiö, presently consists of seven distinct tenement blocks, four of which are valid reservations, two have the status of exploration permit applications, and one is a valid exploration permit. The total size of the Jeesiö tenements is 462.6 km<sup>2</sup>. Jeesiö was the Corporation's primary exploration target during the summer 2018 field season.

The northern boundary of the Jeesiö exploration permit application is only 2 km south from the recent Aamurusko gold discovery by Aurion Resources Ltd (TSX-V:AU), and 12 kilometers SSW from the Pahtavaara Gold Mine (350,000 oz. produced), currently being recommissioned by Rupert Resources Ltd (TSE:RUP). Numerous smaller drilled prospects and deposits are located in the vicinity of Jeesiö.

*FireFox again cautions that being near a discovery, or past-producing mine with a resource, does not indicate that mineralization will occur on FireFox's property, and if mineralization does occur, that it will occur in sufficient quantity or grade that would result in an economic extraction scenario. These facts were simply used to help prioritize the acquisition of these pieces of property.*

Portions of the Jeesiö property straddle the Sirkka Shear Zone or related regional scale structures. Despite its location along these important controlling structures, the Jeesiö area has seen only limited exploration work. Therefore, Jeesiö is considered a greenfield exploration target. The Jeesiö area has been covered by governmental regional till sampling programs, but only one small gold prospect, Homelampi, has been drill tested with 4 shallow holes. These holes returned low grades of the order of 0.1-0.3 g/t Au but over intervals several meters long, with the best intersection returning 0.3 ppm Au over 2.07 metres. After completion of the Corporation's 2018 BOT sampling program, the anomalous gold zone at Homelampi now measures approximately 1,300 by 400 metres (defined by gold grades in excess of 100 ppb Au in till). A single till sample containing 1.04 ppm Au suggests that Homelampi contains higher grade mineralized domains that were not intersected by historical drilling. The Corporation believes that, due to its large size, intense hydrothermal alteration, and extensive area of gold enrichment, Homelampi could represent a distal, low-grade manifestation of a nearby orogenic gold system.

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During the 2018 summer field season, the Corporation conducted geological mapping, till sampling and in-house magnetic surveys on selected targets that were highlighted by early targeting work. Altogether, 552 till samples were collected and assayed for Au and multielement trace element package, and approximately 17.7 line kilometers was surveyed by the magnetometer. The work identified zones anomalous in gold, arsenic and copper, some of them associated with SP (self potential) anomalies.

FireFox purchased and reprocessed governmental low-altitude airborne geophysical survey data. This project covers the entire Central Lapland Greenstone Belt and will allow further targeting of land to acquire outside the Corporation's current land package.

The Corporation's gold assay database for the Jeesiö Project now includes 3,469 samples with Au assays. The database includes 837 new analyses of till samples yielded by the Corporation's now-completed BOT sampling programs, and 785 gold and multi-element analyses of historical samples that were not previously analyzed for gold. Furthermore, the database includes 1,867 unpublished Au assays purchased from the Geological Survey of Finland (GTK).

The STZ bends south within the Corporation's Jeesiö NE tenement area. Along this trend the Corporation has identified a new zone of highly anomalous gold-in-till values, called the Utsamo target. Anomalous till samples range from 21 to 454 ppb Au and are coincident with a 2.8 kilometre-long trend that follows the contact between diabase/gabbro and metasediments. This is a similar geological setting as the Kiekerömaa gold prospect owned by Aurion Resources. Historic drill intercepts from limited drilling by Outokumpu and Tertiary Minerals on that property included 5.8 g/t Au over 5.0 m, 7.4 g/t Au over 2.0 m and 3.6 g/t Au over 4.6 metres.

The Corporation will continue its exploration activities at the Jeesiö Project, including additional till sampling, trenching, and ground magnetic surveys with the goal of identifying priority drill targets.

#### Mustajärvi property

During Q4 2017, the Corporation entered into an Agreement to purchase 100% of the "Mustajärvi" gold exploration project in Central Lapland Greenstone Belt, Finland. The Vendor was Aurora Exploration Ltd, a junior exploration company based in Finland. Initially, Mustajärvi was managed as part of the nearby Jeesiö project, but realizing its standalone potential, it is now managed separately as its own project.

Mustajärvi (146.53 ha in size) is located adjacent to a southern splay of the "Sirikka Shear Zone", which is termed the Venejoki Thrust Zone. Together, these are deep crustal-scale structures that have controlled the emplacement of more than 40 gold deposits in the region. The mineralization at Mustajärvi is typical of an orogenic gold deposit hosted by albitized schists and volcaniclastic rocks, gold being associated with pyrite-bearing quartz and quartz-carbonate-tourmaline veins. Only the topmost 50 meters of the bedrock, has been drill tested. Drilling by Outokumpu Oy. yielded high grade intersections including 2.7m @ 14.6 g/t Au (from 20.7 meters), 12.0m @ 2.7 g/t Au (from 21.0 meters), 1.0m @ 18.8 g/t Au (from 41.0 meters). Mustajärvi was the main target during Corporation's winter 2017-2018 exploration program. Percussion drill till sampling program has now been completed and an induced polarization survey is in progress. These will provide a solid basis on which to plan the diamond drilling program to be executed in the next phase of exploration, subject to the availability of financing.



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Ground magnetic surveys conducted by the Corporation delineated a previously unknown demagnetized zone at the contact of the host units, which is interpreted to be a second order splay from the major transcrustal structure. The interpreted fault zone stretches for approximately 2 kilometers within the Corporation's exploration claim. During the first quarter of 2018, an extensive BOT sampling program, consisting of 598 samples and traversing approximately 6 line kilometers was conducted. The results significantly expanded the extent of the previously known mineralization, with the maximum gold value identified in the survey of 2,540 ppb. Furthermore, several new targets were identified, with multiple anomalies over 100ppb Au being spatially closely associated with the interpreted Mustajärvi fault zone. In the second quarter of the year, the Corporation conducted an Induced Polarization (IP) survey, testing a total of 5.85 line kilometers along the newly characterized fault zone. The IP survey shows a strong correlation with the ground magnetic data and further delineates the fault zone. Additional to a high chargeability anomaly at the known mineralization, the results show multiple chargeability anomalies along the fault zone, with the strongest anomaly being close to a bend in the structure indicating a clear target for mineralization.

The Mustajärvi project comprises a full array of available data including historical till and drill data, a detailed ground magnetic survey, an extensive BOT program and an IP survey, all defining several targets for potential gold mineralization. At the current stage of exploration, the Mustajärvi project is entirely drill ready.

In August 2018, the Corporation extended the Mustajärvi property by an additional reservation "Mustajärvi 2". This reservation, 13.72 km<sup>2</sup> in size, was granted in August 2018.

### Seuru Properties

On August 21, 2018, the Corporation entered an option agreement with Magnus (the "Seuru Option Agreement") to acquire a 100% interest in approximately 46,039 hectares of mineral exploration reservations in the Central Lapland Greenstone Belt of Northern Finland. The new properties are comprised of four separate reservations, collectively referred to as the Seuru Properties. The Seuru Option Agreement gives FireFox the ability to earn a 100% interest in the Properties, subject to completing the following:

- (i) issuing 1,500,000 shares (issued at December 31, 2018, Note 7 (b));
- (ii) incurring \$1,500,000 in mineral exploration on the Properties, as follows:
  - a. \$250,000 by April 5, 2019 (\$126,000 spent at December 31, 2018);
  - b. \$250,000 by April 5, 2020;
  - c. \$1,000,000 by April 5, 2021;
- (iii) Making cash payments to Magnus of up to \$200,000, as follows:
  - a. \$25,000 upon execution (paid at December 31, 2018);
  - b. \$25,000 upon listing (paid at December 31, 2018);
  - c. \$50,000 by April 5, 2019;
  - d. \$50,000 by April 5, 2020;
  - e. \$50,000 by April 5, 2021

If the option is exercised within the first two years with at least \$1,500,000 of exploration expenditure before April 18, 2020, the last cash component of \$50,000 will be waived. Magnus will retain a 1.5% NSR royalty on production from the Properties, 0.5% of which can be purchased for 1,000 troy ounces of gold.

Carl Löfberg, Managing Director of Magnus, is a director and the President and CEO of FireFox.

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**SUMMARY OF QUARTERLY RESULTS**

The Corporation was incorporated under the laws of the Province of British Columbia on June 16, 2017. As such, it has been in existence for only two of the past eight quarters.

<b>Quarter ended</b>	<b>31-Dec-18</b>		<b>30-Sep-18</b>		<b>30-Jun-18</b>		<b>31-Mar-18</b>	
Revenue <sup>(1)</sup>		-		-		-		-
Loss for the quarter	\$	(731,443)	\$	(229,589)	\$	(617,049)	\$	(560,653)
Loss per share	\$	(0.04)	\$	(0.01)	\$	(0.03)	\$	(0.03)
<b>Quarter ended</b>	<b>31-Dec-17</b>		<b>30-Sep-17</b>		<b>30-Jun-17</b>		<b>31-Mar-17</b>	
Revenue <sup>(1)</sup>		-		-		-		-
Loss for the quarter	\$	(539,548)	\$	(330,126)	\$	N/A	\$	N/A
Loss per share	\$	(0.04)	\$	(0.02)	\$	(0.00)	\$	N/A

<sup>(1)</sup> this being a corporation without a revenue-generating business, there are no revenues from operations or investments;

**Loss for the quarter ended December 31, 2018**

Losses of \$731,433 in the three months ended December 31, 2018 (“Q418”) are greater than losses of \$539,548 in the three months ended December 31, 2017 (“Q417”), primarily due to mineral property exploration increasing to \$581,568 in Q418 compared to \$325,272 in Q417. The Corporation acquired new mineral properties, and raised more cash through financings during 2018, which allowed for the increase in mineral property expenses in Q418 compared to Q417. Other significant costs in Q418 included personnel costs, which increased to \$123,746 as a result of increased business and exploration activity that required more staff (Q417 - \$82,250). Property investigation costs of \$50,000 were incurred in Q417 to investigate mineral properties not yet owned by FireFox (Q418 – \$Nil). Loss in the three months ended September 30, 2018 (“Q318”) were much less than the other three month periods during 2018, as the Corporation had shifted its primary focus to completing its initial public offering, and thus incurred less in mineral property exploration expenditures.

**SELECTED ANNUAL INFORMATION**

The Corporation was established under the Business Corporations Act (British Columbia) on June 16, 2017. As such, it has been in existence for only part of 2017 and all of 2018.

<b>Year ended</b>	<b>2018</b>		<b>2017 <sup>(1)</sup></b>		<b>2016</b>
Loss	\$	(2,138,734)	\$	(869,674)	N/A
Basic & loss per share	\$	(0.10)	\$	(0.06)	N/A
Total assets	\$	1,731,556	\$	661,136	N/A
Non-current financial liabilities	\$	-	\$	-	N/A
Cash dividends paid	\$	-	\$	-	N/A

<sup>(1)</sup> The Corporation was incorporated on June 16, 2017, and therefore the 2017 comparable period is for the period from formation June 19, 2017 to December 31, 2017.

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#### ***Loss for the year ended December 31, 2018***

Losses of \$2,138,734 during the year ended December 31, 2018 ("YE18") were greater than losses of \$869,674 in the period from June 16, 2017 to December 31, 2017 ("YE17"), due in large part to the Corporation being incorporated mid-way through YE17. Major increases in expenses during YE18 included mineral property exploration expenditures of \$1,447,836 (YE17 - \$585,272), personnel costs of \$369,877 (YE17 - \$91,750), and shareholder communications expenses of \$94,227 (YE17 - \$15,182). These increases are consistent with the fact that the Corporation was incorporated near the middle of YE17, and has increased business and explorations since incorporation. Share based payments increased from \$9,089 in YE17 to \$83,483 in YE18 due to more stock options vesting and additional stock options being granted in YE18 compared to YE17. Legal fees decreased from \$96,463 in YE17 to \$60,781 in YE18, primarily because significant legal fees were incurred in YE17 to establish the Corporation, to draft and enact the plan of arrangement in order to distribute the Corporation to shareholders of Anacott, and to review and establish new contractual agreements between parties. Finally, property investigation costs of \$50,000 were incurred in YE17 (YE18 - \$Nil) to investigate mineral properties not yet owned by FireFox.

#### ***Cash flows for the year ended December 31, 2018***

The Corporation generated cash of \$2,166,465 from financing activities during the year ended December 31, 2018. The cash provided from financing activities was used primarily for operating activities, of which the Corporation used cash of \$1,774,121. Cash of \$126,697 was also used in investing activities, for the purpose of mineral property acquisitions.

During 2017, The Corporation's operating cashflow approximated its loss for the period, with minor adjustments. This \$822,295 cash-expenditure was financed via the issuance of common shares, raising \$1,469,290 net of share issuance costs, resulting in an increase in cash of \$646,995 over the period.

#### **LIQUIDITY AND CAPITAL RESOURCES**

The Corporation had working capital<sup>1</sup> of \$616,267 as of December 31, 2018 (December 31, 2017 - \$614,466). The Corporation does not have revenues from operations, and relies on outside funding for its continuing financial liquidity. The Corporation will need additional financing in order to continue operations.

Management cautions that the Corporation's ability to raise additional funding is not certain, and additional funds will be required in order to pursue the Corporation's current business plans. An inability to raise additional funds would adversely impact the future assessment of the Corporation as a going concern.

#### **CHANGES IN ACCOUNTING POLICIES**

Accounting policies used in the period, and changes anticipated in future periods, are as set out in the Corporation's audited annual financial statements for the year ended December 31, 2018 (Note 4).

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<sup>1</sup> Working capital, a non-GAAP-measure is defined as current assets net of current liabilities.

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## **FINANCIAL INSTRUMENTS**

The Corporation's financial instruments consist of cash, amounts receivable, accounts payable and accrued liabilities. It is management's opinion that the Corporation is not exposed to significant interest risk arising from the financial instruments. The Corporation is exposed to credit risk in relation to the receivables balances, however, most receivables are in relation to sales tax due from the Canadian government. Credit risk is managed for receivables by seeking prompt payment, monitoring the age of receivables, and making follow up inquiries when receivables are not paid in a timely manner. The Corporation does not engage in any hedging activities. Financial instruments do not generally expose the Corporation to risk that is significant enough to warrant reducing via purchasing specific insurance or offsetting financial instruments.

## **RELATED PARTY TRANSACTIONS**

### *Key management compensation*

Key management personnel at the Corporation are the directors and officers of the Corporation. The remuneration of key management personnel during the periods is as follows:

	<b>Year ended December 31, 2018</b>	<b>Period ended December 31, 2017</b>
Director remuneration <sup>1</sup>	\$ 94,504	\$ 18,000
Officer remuneration <sup>1</sup>	\$ 211,805	\$ 61,750
Share-based payments	\$ 80,057	\$ 7,946

<sup>1</sup> Remuneration consists exclusively of salaries, bonuses, health benefits if applicable and consulting fees for key management personnel.

Other than the amounts disclosed above, there were no short-term employee benefits or share-based payments granted to key management personnel during the year ended December 31, 2018 and period ended December 31, 2017.

In accordance with Item 1.9 of Part 2 of Form 51-102.F1 the Corporation has no ongoing contractual commitments with related parties, apart from those established under the employee-employer or service-provider relationship, and the mineral property option agreement with Magnus, further described in Notes 6(a) and 6(c) of the audited financial statements for the year ended December 31, 2018. Amounts are recorded at the exchange amount agreed between the parties.

Magnus and Anacott Resources Corp. are each considered related parties to FireFox by virtue of having an officer in common with FireFox. FireFox has contracted with Magnus to provide mineral exploration services, and with Anacott to provide CFO and administrative services. During the year ended December 31, 2018, Anacott Resources Corp. provided administrative and property investigation services valued at \$115,190 (period ended December 31, 2017 - \$56,750), Carl Löfberg provided management services valued at \$126,695 (period ended December 31, 2017 - \$30,000), Highsmith Consulting provided consulting services valued at \$72,000 (period ended December 31, 2017 - \$18,000) and marketing services valued at \$22,504 (period ended December 31, 2017 - \$Nil) while Magnus provided exploration and property investigation services valued at \$1,354,268 (period ended December 31, 2017 - \$552,500).

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FireFox issued 1,000,000 shares to Patrick Highsmith and 200,000 shares to Carl Löffberg on October 2, 2017 in exchange for gross proceeds of \$120.

FireFox entered into mineral property option agreements with Magnus, further described in Notes 6(a) and 6(c) of the audited financial statements for the year ended December 31, 2018.

#### *Accounts payable and accrued liabilities*

At December 31, 2018 \$22,078 (December 31, 2017 - \$14,366) remained owing to Anacott in relation to administrative services provided, \$7,567 (December 31, 2017 - \$Nil) was owing to Highsmith Consulting for consulting fees, shown as personnel costs on the statement of loss and comprehensive loss, and \$1,955 (December 31, 2017 - \$7,051) was owing to related parties in relation to reimbursements of expenditures incurred on FireFox's behalf.

#### *Plan of arrangement*

The Corporation was a wholly-owned subsidiary of Anacott Resources Corp. ("Anacott") until a plan of arrangement was completed on July 28, 2017 under which the Corporation's common shares were distributed to shareholders of Anacott on a pro-rata basis.

## **RISK FACTORS AND MANAGEMENT'S RESPONSIBILITY OVER FINANCIAL REPORTING**

### ***Risk Factors***

Early-stage entities face a variety of risks and, while unable to eliminate all of them, the Corporation aims to manage and reduce such risks as much as possible.

Exploring for minerals is a highly technical and complicated process. As FireFox is a new Corporation, it has not built a large technical team. The Corporation has entrusted, and is reliant upon the experienced and dedicated team at Magnus to conduct the exploration programs on behalf of FireFox.

The risks that management considers most important in the context of the Corporation's business are listed in this section. They are not listed in order of importance, nor are they inclusive of all the risks to which the Corporation may be subject. Sources of risk to the Corporation and its businesses include: reliance on key personnel; substantial capital requirements, exploration and development uncertainties, property commitments, operational risks associated with mineral exploration and development, environmental risks, commodity price fluctuations, economic and financial market instability, governmental regulation and policy, changes to government laws and regulations, risk related to the cyclical nature of the mining business, risk of title defects in mineral properties, lack of revenue and negative cash flow, legal and litigation risk, insurance risk, currency risk, conflicts of interest, time and cost estimates, consumables availability and costs, mineral resource uncertainties, and taxation.

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The following risk factors should be given special consideration when evaluating an investment in any of the Corporation's securities:

- a) the Corporation has had no profitable business activity since its incorporation;
- b) the Corporation does not have a history of earnings, nor has it paid any dividends and will not generate earnings or pay dividends in the foreseeable future;
- c) the Corporation has only limited funds with which to continue its exploration and development opportunities and there can be no assurance that the Corporation will be successful in discovering economically recoverable minerals;
- d) the exploration and development opportunities being pursued may be financed in all or part by the issuance of additional securities by the Corporation and this may result in further dilution to the investor, which dilution may be significant and which may also result in a change of control of the Corporation;
- e) there can be no assurance that an active and liquid market for the common shares will develop and an investor may find it difficult to resell its common shares; and
- f) if the Corporation fails to progress its exploration and development opportunities, an interim cease trade order may be issued against the Corporation's securities by an applicable securities commission.

**OFF BALANCE SHEET ARRANGEMENTS**

The Corporation has not entered into any off-balance sheet arrangements.

**OUTSTANDING COMMON SHARES DATA**

The following section updates the outstanding share data provided in the audited financial statements for the period ended December 31, 2018.

## Common shares:

Common shares outstanding at December 31, 2018 and April 29, 2019	29,387,498
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## Stock options:

Stock options outstanding at December 31, 2018 and April 29, 2019	1,745,000
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## Warrants:

Warrants outstanding at December 31, 2018	4,104,824
Warrants issued subsequent to year-end (financial statement Note 11)	<u>187,500</u>
Warrants outstanding at April 29, 2019	4,292,324