FireFox Gold Corp.

(formerly Silverstone Resources Corp.)

Financial Statements

For the period from incorporation
on June 16, 2017 to December 31, 2017
(Expressed in Canadian dollars)

MANAGEMENT'S RESPONSIBILITY FOR FINANCIAL STATEMENTS

The accompanying financial statements of FireFox Gold Corp. are the responsibility of the Company's management and are prepared in accordance with International Financial Reporting Standards and reflect management's best estimates and judgment based on information currently available.

Management has developed and maintains a system of internal controls to ensure that the Company's assets are safeguarded, transactions are authorized and properly recorded, and financial information is reliable.

The Board of Directors is responsible for ensuring management fulfills its responsibilities for financial reporting and internal controls through an audit committee, which is comprised primarily of non-management directors. The Audit Committee reviews the financial statements prior to their submission to the Board of Directors for approval.

"Carl Löfberg"	*"Andrew MacRitchie"*
Carl Löfberg Chief Executive Officer	Andrew MacRitchie Chief Financial Officer

Vancouver, British Columbia
April 30, 2018

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Independent Auditor's Report

To the Shareholders of FireFox Gold Corp. (formerly Silverstone Resources Corp.)

We have audited the accompanying financial statements of FireFox Gold Corp. (formerly Silverstone Resources Corp.), which comprise the statement of financial position as at December 31, 2017 and the statement of loss and comprehensive loss, statement of changes in equity and statement of cash flows for the period from incorporation on June 16, 2017 to December 31, 2017, and a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of FireFox Gold Corp. (formerly Silverstone Resources Corp.) as at December 31, 2017, and its financial performance and its cash flows for the period from incorporation on June 16, 2017 to December 31, 2017 in accordance with International Financial Reporting Standards.

Emphasis of Matter

Without qualifying our opinion, we draw attention to Note 1 in the financial statements which describes matters and conditions that indicate the existence of a material uncertainty that may cast significant doubt about FireFox Gold Corp. (formerly Silverstone Resources Corp.) ability to continue as a going concern.

"D&H Group LLP"

Vancouver, B.C.
April 30, 2018

Chartered Professional Accountants

FireFox Gold Corp. (formerly Silverstone Resources Corp.)

Statement of Financial Position

As at December 31, 2017

(Expressed in Canadian Dollars)

	$
Assets	
Current assets	
Cash	646,995
Prepaid expenses	4,079
Accounts receivable	9,462
	660,536
Mineral property acquisition costs (Note 3)	600
	661,136
Liabilities	
Current liabilities	
Accounts payable	18,153
Due to related parties	21,417
Accrued liabilities	6,500
	46,070
Shareholders' equity	
Share capital (Note 4)	1,469,890
Contributed surplus	14,850
Deficit	(869,674)
	615,066
	661,136

The accompanying notes are an integral part of these financial statements.

Nature of operations and going concern (Note 1)

Subsequent events (Note 8)

These financial statements were approved for issue by the Board of Directors on April 30, 2018 and are signed on its behalf by:

"Carl Löfberg", **Director** *"Patrick Highsmith"*, **Director**

FireFox Gold Corp. (formerly Silverstone Resources Corp.)

Statement of Loss and Comprehensive Loss

Period from incorporation on June 16, 2017 to December 31, 2017

(Expressed in Canadian Dollars)

	$
Expenses	
Mineral property exploration costs	585,272
Audit and tax compliance	8,964
Filing and listing fees	7,651
Legal	96,463
Office costs	5,303
Property investigation	50,000
Personnel	91,750
Share based payments	9,089
Shareholder communications	15,182
Net loss and comprehensive loss	(869,674)
Basic and diluted loss per share	(0.06)
Weighted average number of shares outstanding	13,989,912

The accompanying notes are an integral part of these financial statements.

FireFox Gold Corp. (formerly Silverstone Resources Corp.)

Statement of Changes in Equity

Period from incorporation on June 16, 2017 to December 31, 2017

(Expressed in Canadian Dollars)

	Share capital				
	Number of shares	Amount	Contributed Surplus	Deficit	Shareholders' equity
		$	$	$	$
Balance at June 16, 2017	-	-	-	-	-
Common shares issued:					
- on incorporation	7,113,010	71	-	-	71
- mineral property acquisition costs	6,000,000	600	-	-	600
- private placements	6,936,837	1,481,251	-	-	1,481,251
Less share issue costs	-	(12,032)	-	-	(12,032)
Adjustment from spin-off transaction	(1,579)	-	-	-	-
Share-based compensation	-	-	14,850	-	14,850
Net loss and comprehensive loss for the period	-	-	-	(869,674)	(869,674)
Balance at December 31, 2017	20,048,268	1,469,890	14,850	(869,674)	615,066

The accompanying notes are an integral part of these financial statements.

FireFox Gold Corp. (formerly Silverstone Resources Corp.)

Statement of Cash Flows

Period from incorporation on June 16, 2017 to December 31, 2017

(Expressed in Canadian Dollars)

	$
Cash flows from (used in) operating activities	
Loss for the period	(869,674)
Non-cash items	
Share based payments	14,850
Changes in non-cash working capital:	
Prepaid expenses	(4,079)
Accounts receivable	(9,462)
Accounts payable	18,153
Due to related parties	21,417
Accrued liabilities	6,500
	(822,295)
Cash flows from financing activities	
Issuance of common shares	1,481,322
Share issuance costs	(12,032)
	1,469,290
Increase in cash during the period, being cash at end of period	646,995

SUPPLEMENTAL DISCLOSURE WITH RESPECT TO CASH FLOWS

Non-cash transactions and other supplemental disclosures:		
Issuance of shares under mineral property option (Note 3(a))	$	600
Interest paid	$	-
Income taxes paid	$	-

The accompanying notes are an integral part of these financial statements.

1. Nature of operations and going concern

FireFox Gold Corp. (the "Company" or "FireFox") was incorporated under the *Business Corporations Act* (British Columbia) on June 16, 2017 under the name Silverstone Resources Corp. The Company's name was changed to FireFox Gold Corp. on August 23, 2017. The Company's registered place of business is located at 650 - 1021 West Hastings Street, Vancouver, British Columbia, V6E 0C3, Canada.

The Company is in the start-up phase, and its primary activity is exploring for economic gold mineralization in Finland.

The financial statements were prepared on a going concern basis with the assumption that the Company will continue in operation for the foreseeable future and will be able to realize its assets and discharge its liabilities and commitments in the normal course of business. The Company has limited cash resources, has incurred significant operating losses and negative cash flows from operations in the period, and will require additional financing in order to continue operations. While the Company has been successful in obtaining funding in the past, through the issuance of additional equity, there is no assurance that such funding will be available in the future. An inability to raise additional funds would adversely impact the future assessment of the Company as a going concern. These factors indicate the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern.

The Company is dependent upon its ability to finance its operations and exploration programs through financing activities that may include issuances of additional debt or equity securities. The recoverability of the carrying value of exploration projects and, ultimately, the Company's ability to continue as a going concern, is dependent upon the existence and economic recovery of reserves, the ability to raise financing to complete the exploration and development of the properties, and upon future profitable production or, alternatively, upon the Company's ability to dispose of its interest on an advantageous basis, all of which are uncertain. The financial statements do not include adjustments to amounts and classifications of assets and liabilities that might be necessary should the Company be unable to continue operations.

2. Summary of significant accounting policies

Basis of compliance
These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS"), as issued by the International Accounting Standards Board ("IASB") and interpretations of the IFRS Interpretations Committee ("IFRIC").

Basis of measurement
The financial statements have been prepared on the historical cost basis except for the revaluation of certain financial assets and financial liabilities to fair value.

Critical judgements and sources of estimation uncertainty
The preparation of these financial statements requires management to make certain estimates, judgments and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period. Actual outcomes could differ from these estimates. These financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the financial statements, and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and future periods if the revision affects both current and future periods. These estimates are based on historical experience, current and future economic conditions and other factors, including expectations of future events that are believed to be reasonable under the circumstances.

2. Summary of significant accounting policies - continued

Critical judgments

The following are critical judgments that management has made in the process of applying accounting policies and that have the most significant effect on the amounts recognized in the financial statements:

(i) The assessment of the Company's ability to continue as a going concern and to raise sufficient funds to pay for its ongoing operating expenditures, meet its liabilities for the ensuing year, and to fund planned and contractual exploration programs, involves significant judgment based on historical experience and other factors, including expectation of future events that are believed to be reasonable under the circumstances.

(ii) The assessment of evidence of impairment in respect of exploration and evaluation assets (capitalized mineral property acquisition costs) requires management to make judgments regarding the status of each project and the future exploration plans. The triggering events for an impairment test are defined in IFRS 6. The nature of exploration and evaluation activities is such that only a proportion of projects are ultimately successful and some assets are likely to become impaired in future periods. Management has determined that there were no triggering events as defined in IFRS 6 with respect to the Company's properties.

(iii) Although the Company takes steps to verify title to exploration and evaluation assets in which it has an interest, these procedures do not guarantee the Company's title. Such properties may be subject to prior agreements or transfers and title may be affected by undetected defects.

(iv) The determination of categories of financial assets and financial liabilities has been identified as an accounting policy which involves judgments or assessments made by management.

Estimation Uncertainty

The following are key assumptions concerning the future and other key sources of estimation uncertainty that have a significant risk of resulting in a material adjustment to the carrying amount of assets and liabilities within the next financial year:

a) Provisions for income taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Company reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the final outcome of these tax-related matters is different from the amounts that were originally recorded, such differences will affect the tax provisions in the period in which such determination is made.

b) The fair value of share-based payments is subject to the limitations of the Black-Scholes option pricing model that incorporates market data and involves uncertainty in estimates used by management in the assumptions. Because the Black-Scholes option pricing model requires the input of highly subjective assumptions, including the volatility of share prices, changes in subjective input assumptions can materially affect the fair value estimate.

2. Summary of significant accounting policies - continued

Cash and cash equivalents
Cash and cash equivalents consist of cash on deposit with banks or highly liquid short-term interest-bearing securities that are readily convertible to known amounts of cash and those that have maturities of three months or less or are fully redeemable without penalty when acquired. As at December 31, 2017, the Company did not have any cash equivalents.

Mineral property interests
The acquisition costs of mineral properties are capitalized as mineral property acquisition costs on a project-by-project basis, pending determination of the technical feasibility and the commercial viability of each project. Acquisition costs include cash or shares paid, liabilities assumed, and associated legal costs paid to acquire the interest, whether by option, purchase, staking, or otherwise. Costs of investigation incurred before the Company has obtained the legal right to explore an area are recognized in the statement of loss.

Exploration and evaluation expenses are comprised of costs that are directly attributable to:

- researching and analyzing existing exploration data;
- conducting geological studies, exploratory drilling and sampling;
- examining and testing extraction and treatment methods; and
- evaluating the technical feasibility and commercial viability of extracting a mineral resource.

All exploration and evaluation expenditures are expensed until properties are determined to contain economically viable reserves. When economically viable reserves have been determined, technical feasibility has been determined and the decision to proceed with development has been approved, the capitalized mineral property interest for that project, and subsequent costs incurred for the development of that project, are capitalized as mining properties, a component of property, plant and equipment.

Option-out agreements, where the Company is the operator, are accounted for by deducting the proceeds from the optionee from the expenditures made by the Company once title has been properly registered in the optionor's name. Until title has been registered in the optionee's name, the Company shows the amounts received as exploration advances liability.

Income taxes
Deferred income taxes are provided in full, using the liability method, on temporary differences arising between the income tax bases of assets and liabilities and their carrying amounts in the financial statements. Deferred income taxes are determined using income tax rates and income tax laws that have been enacted at the end of the reporting period and are expected to apply when the related deferred income tax asset is realized or the deferred income tax liability is settled. Deferred income tax assets are recognized to the extent that it is probable that future taxable income will be available against which the temporary differences can be utilized.

2. Summary of significant accounting policies - continued

Impairment of long-lived assets
At the end of each reporting period, the Company's assets are reviewed to determine whether there is any indication that those assets may be impaired. If such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment, if any. The recoverable amount is the higher of fair value less costs to sell and value in use. Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset. If the recoverable amount of an asset is estimated to be less than its carrying amount, the carrying amount of the asset is reduced to its recoverable amount and the impairment loss is recognized in profit or loss for the period. For an asset that does not generate largely independent cash flows, the recoverable amount is determined for the cash generating unit ("CGU") to which the asset belongs.

When an impairment loss subsequently reverses, the carrying amount of the asset (or CGU) is increased to the revised estimate of its recoverable amount, but to an amount that does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or CGU) in prior years. A reversal of an impairment loss is recognized immediately in profit or loss.

Financial instruments

Financial assets
All financial assets are initially recorded at fair value and designated upon inception into one of the following four categories: held-to-maturity, available-for-sale, loans and receivables and at fair value through profit or loss ("FVTPL").

Financial assets classified as FVTPL are measured at fair value with unrealized gains and losses recognized in comprehensive income (loss). Cash is classified as FVTPL.

Financial assets classified as loans and receivables and held-to -maturity are measured at amortized cost. Accounts receivable are classified as loans and receivables.

Financial assets classified as available-for-sale are measured at fair value with unrealized gains and losses recognized in other comprehensive income (loss) except for losses in value that are considered other than temporary.

Transaction costs associated with financial assets at FVTPL are expensed as incurred, while transaction costs associated with all other financial assets are included in the initial carrying amount of the asset.

Financial liabilities
All financial liabilities are initially recorded at fair value and designated upon inception as FVTPL or other financial liabilities.

Financial liabilities classified as other financial liabilities are measured at amortized cost. Accounts payable, due to related parties and accrued liabilities are classified as other financial liabilities.

Financial liabilities classified as FVTPL are measured at fair value with unrealized gains and losses recognized in comprehensive income (loss).

2. Summary of significant accounting policies - continued

Foreign currencies

The Company has determined the Canadian dollar to be its functional and reporting currency. Accordingly, monetary assets and liabilities denominated in foreign currencies are recorded in Canadian dollars, translated at the exchange rate in effect at the statement of financial position date and non-monetary assets and liabilities are translated at the exchange rates in effect at the transaction date. Revenues and expenses are translated at rates approximating the exchange rates in effect at the time of the transactions. All exchange gains and losses are included in profit or loss.

Share capital

Common shares issued by the Company are classified as equity. Costs directly attributable to the issue of common shares, share purchase warrants and share options are recognized as a deduction from equity, net of any related income tax effects.

Share-based payments

The Company has a stock option plan that is described in Note 4. Share-based payments to employees are measured at the fair value of the instruments issued on the date of grant, and are amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured, and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to option reserve. Consideration received on the exercise of stock options is recorded as share capital and the related option reserve is transferred to share capital.

Loss per share

Basic earnings (loss) per share is calculated using the weighted average number of common shares outstanding during the year. The Company uses the treasury stock method for calculating diluted loss per share. Under this method the dilutive effect on loss per share is calculated on the use of the proceeds that could be obtained upon exercise of options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to purchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

2. Summary of significant accounting policies - continued

New standards and interpretations not yet adopted

The following is an overview of accounting standard changes that the Company will be required to adopt in future years. The Company does not expect to adopt any of these standards before their effective dates. The Company does not expect the new standards to have a material impact on the Company's financial statements.

(a) IFRS 9 - *Financial Instruments*. This standard partially replaces IAS 39 - *Financial Instruments: Recognition and Measurement*. IFRS 9 measures financial assets, after initial recognition, at either amortized cost or fair value. Existing IAS 39 classifies financial assets into four measurement categories. The standard is effective for annual periods beginning on or after January 1, 2018. In the year of adoption, the Company is required to provide additional disclosures relating to the reclassified financial assets and liabilities. The Company may, but is not required to, apply the standard retroactively. In and after the year of adoption, certain disclosures relating to financial assets will change to conform to the new categories.

(b) IFRS 15 - *Revenue from Contracts with Customers*. The standard is effective for annual periods beginning on or after January 1, 2018. IFRS 15 specifies how and when to recognize revenue as well as requires entities to provide users of financial statements with more informative, relevant disclosures. The standard supersedes IAS 18 - *Revenue*, IAS 11 - *Construction Contracts*, and a number of revenue-related interpretations. The new standard will apply to nearly all contracts with customers; the main exceptions are leases, financial instruments and insurance contracts.

(c) IFRS 16 - *Leases.* This standard specifies how an IFRS reporter will recognize, measure, present and disclose leases. The standard provides a single lessee accounting model, requiring lessees to recognize assets and liabilities for all leases unless the lease term is 12 months or less or the underlying asset has a low value. Lessors continue to classify leases as operating or finance, with IFRS 16's approach to lessor accounting substantially unchanged from its predecessor, IAS 17. IFRS 16 was issued in January 2016 and applies to annual reporting periods beginning on or after January 1, 2019.

3. Mineral properties

(a) **Riikonkoski (East and West), Jeesiö (including Jeesiö West) and Ylöjärvi (including Oks) projects:**

On August 1, 2017 FireFox announced an agreement with Magnus Minerals Ltd. ("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 "Projects"), which are located in Finland and currently owned by Magnus (the "Option").

Pursuant to the Option Agreement, FireFox is required to:
- (i) issue 6,000,000 common shares to Magnus (issued, Note 4(b));
- (ii) incur $2.5 million in exploration expenditures on the Projects as follows:
  - a. $300,000 by August 31, 2018 (fully spent as at December 31, 2017);
  - b. an additional $600,000 by August 31, 2019 ($285,000 spent at December 31, 2017); and
  - c. an additional $1,600,000 by August 31, 2020;
- (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 August 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. Magnus is a related party (Note 6).

3. **Mineral properties** - continued

(b) **Mustajärvi project:**

FireFox will pay a total of €30,000 (paid subsequent to year-end) and issue 400,000 common shares (issued subsequent to year end) to a Finnish junior exploration company, Aurora Exploration Ltd. ("Aurora"), in order to acquire a 100% interest in the Mustajärvi Project. Aurora retains a 1% Net Smelter Royalty ("NSR") on all metals sold from the Mustajärvi Project, 50% of which can be repurchased by Firefox for US $500,000. The repurchase right is exercisable at any point within 180 days of the Company's receipt of a positive feasibility study for the Mustajärvi Project.

See also Note 8.

4. **Share capital**

(a) **Authorized**

The Company's authorized share capital consists of an unlimited number of common shares without par value.

(b) **Equity financings**

On incorporation, the Company issued 7,113,010 for cash of $71. This share figure was reduced by 1,579 shares through the plan of arrangement.

On August 1, 2017, the Company issued 6,000,000 shares to Magnus Minerals Ltd. (Note 3(a) & Note 6) 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 (Note 6).

See also Note 8.

(c) **Share option plan**

The Company has implemented an incentive share option plan (the "plan") which is subject to approval by the shareholders at the next general meeting. Under the plan, the Company may issue options to purchase common shares, at prices determined by the Board of Directors on the date of award, for periods of not more than five years. Share options awarded under the plan vest immediately upon plan-approval at the next general meeting. Subsequent to plan-approval, options awarded will vest immediately upon issue unless vesting is modified by the Board of Directors at the time of grant. The total number of common shares that may be reserved for issue under the share option plan is limited to 10% of the number of issued common shares.

The Company uses the Black-Scholes option pricing model in order to calculate a value for share options issued to employees. The Black-Scholes option pricing model was developed for use in estimating the fair value of share options that have no vesting provisions and are fully transferable. Also, option pricing models require the use of estimates and assumptions, including expected volatility rates. The Company uses expected volatility rates which are based upon historical experience and or market comparables. Changes in the underlying assumptions used on the Black-Scholes option pricing model could materially affect the fair value estimates.

(Expressed in Canadian dollars)

4. **Share capital** – continued

(c) **Share option plan** - continued

Share options transactions during the year ended December 31, 2017 are as follows:

	Number of shares	Weighted average exercise price $
Outstanding, June 16, 2017	-	-
Awarded	1,495,000	0.10
Forfeited	-	-
Expired	-	-
Outstanding, December 31, 2017	1,495,000	0.10

The following is a summary of share options outstanding and exercisable at December 31, 2017:

Expiry date	Number of options	Exercise price $
October 2022	1,495,000	0.10

The fair value of stock options awarded during 2017 was estimated on the dates of award using the Black-Scholes option pricing model with the following assumptions:

	2017
Risk-free interest rate	1.75%
Expected volatility	187.36%
Expected lives	5 years
Estimated forfeiture rate	-

The average fair value of stock options awarded during the year ended December 31, 2017 was $ 0.04.

5. **Risk management and financial instruments**

Categories of financial assets and financial liabilities

Financial instruments are classified into one of the following five categories: fair value through profit or loss (“FVTPL”); held-to-maturity investments; loans and receivables; available-for-sale; and other financial liabilities. The carrying values of the Company’s financial instruments are classified into the following categories:

Financial instrument	**Category**	**December 31, 2017** $
Cash	FVTPL	646,995
Accounts receivable	loans and receivables	9,462
Accounts payable	other financial liabilities	18,153
Due to related parties	other financial liabilities	21,417
Accrued liabilities	other financial liabilities	6,500

(Expressed in Canadian dollars)

5. Risk management and financial instruments - continued

The Company's risk exposure and the impact on the Company's financial instruments are summarized below:

Credit risk
Credit risk is the risk that one party to a financial instrument will cause a financial loss for the other party by failing to discharge an obligation. The Company's cash and accounts receivable are exposed to credit risk. Management believes that credit risk with respect to cash is minimal as it is held with major financial institutions. The Company manages credit risk, in respect of accounts receivable, by monitoring the age of receivables and pursuing those that are not due from government. Management believes that credit risk with respect to receivables is minimal, as the majority consists of amounts due from Canadian governmental agencies.

Market risk
Market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate due to changes in market prices. Market risk consists of interest rate risk, foreign currency risk and other price risk. As at December 31, 2017, the Company is not exposed to significant market risk.

Liquidity risk
Liquidity risk is the risk that the Company will not be able to meet its obligations as they become due. The Company's approach to managing liquidity risk is to attempt to ensure that it will have sufficient cash or credit available to meet liabilities when due. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities, and by maintaining its lending arrangement with a related party. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

All of the liabilities presented as accounts payable and accrued liabilities are due within 90 days of December 31, 2017.

6. Related party disclosures

Key management compensation:

Key management personnel are the directors and officers of the Company. The remuneration of key management personnel during the period is as follows:

	Period ended December 31, 2017
Director remuneration[1]	$ 18,000
Officer remuneration[1]	$ 61,750
Share-based payments	$ 7,946

[1] Remuneration consists exclusively of salaries, bonuses, health benefits if applicable and consulting fees or director's 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 period ended December 31, 2017.

(Expressed in Canadian dollars)

6. Related party disclosures - continued

During the period ended December 31, 2017, mineral exploration services valued at $552,500, and administrative services valued at $56,750 were provided by companies with an officer in common with FireFox. At December 31, 2017, $14,366 remained owing to a related party in relation to administrative services provided, and $7,051 was owing to several related parties in relation to reimbursements of expenditures incurred on FireFox's behalf.

FireFox issued 1,200,000 shares to two directors on October 2, 2017 in exchange for gross cash proceeds of $120.

FireFox entered into a mineral property option agreement with Magnus, further described in Note 3(a).

7. Income Taxes

Income tax expense differs from the amount that would be computed by applying the Canadian statutory income tax rate of 26.00% to income before income taxes. The reasons for the differences are as follows:

Loss for the year	$	(869,674)
Statutory income tax rate		26.00%
Expected income tax benefit		(226,115)
Items not deductible for income tax purposes and other		733
Unrecognized benefit of deferred tax assets		225,383
Income tax expense	$	-

The Company recognizes a deferred tax asset on unused tax losses or other deductible amounts only when the Company expects to have future taxable profit against which the amounts could be utilised. The Company's deductible temporary differences and unused tax losses for which no deferred tax asset is recognized consist of the following unrecognized asset amounts:

Share issuance costs	$	2,787
Eligible capital property		11,541
Exploration and evaluation expenditures		152,171
Non-capital losses carried forward		58,884
Unrecognized deductible temporary differences	$	225,383

The Company has non-capital losses of approximately $226,477 and accumulated pools of $585,272, both of which are available to deduct against future taxable Canadian income. The non-capital losses carried forward will expire in 2037 if unused. The tax pools can be carried forward indefinitely.

8. Subsequent Events

On February 1, 2018, €30,000 ($46,254) was paid and 400,000 shares were issued to Aurora as part of the agreement to acquire a 100% interest in the Mustajärvi Project (see Note 3(b)).

On January 23, 2018, FireFox issued 250,000 stock options to a director of the Company. The options have an exercise price of $0.30 per share, and are valid until January 23, 2023.