

BLACKOUTS AND SECURITIES TRADING POLICY

PURPOSE OF THE POLICY

The purpose of this Blackouts and Securities Trading Policy (the “**Policy**”) is to prescribe rules for Restricted Persons and Employees with respect to trading in securities of Bluestone Resources Inc. (the “**Company**”) by these individuals when there is Undisclosed Material Information or Pending Material Developments with respect to the Company. Strict adherence to these policies and guidelines will promote investor confidence in securities of the Company by assuring the investing community that Restricted Persons and Employees who have access to Undisclosed Material Information will not make use of it by trading in securities of the Company before the information has been fully disclosed to the public and a reasonable period of time for the dissemination of that information has passed. Adherence to this policy should mitigate the chance that a Restricted Person or Employee trades securities during a Blackout Period or at a time when it may not be appropriate to conduct any trading in Company securities.

The procedures and restrictions set forth in this Policy are only a general framework to assist Restricted Persons and Employees in ensuring that any trade in the Company’s securities occurs without actual or perceived violation of applicable securities laws. Restricted Persons and Employees have the ultimate responsibility for complying with applicable securities laws and should obtain additional guidance, including independent legal advice, as may be appropriate for their own circumstances.

DEFINITIONS USED IN THIS POLICY

“**Blackout Period**” means the period during which Restricted Persons and Employees are prohibited from trading in the Company’s securities;

“**Board**” means the Board of Directors of the Company;

“**Employees**” means all individuals currently employed by the Company who may become aware of Undisclosed Material Information;

“**Generally Disclosed**” means disseminated to the public by way of a press release together with the passage of a reasonable amount of time (one full trading day following the date of dissemination to the public by way of a press release, unless otherwise advised that the period is longer or shorter, depending on the circumstances) for the public to digest and analyze the information;

“**Material Change**” means a change in the business, operations, or capital of the Company that would reasonably be expected to have a significant effect on the market price or value of any of the securities of the Company and includes a decision to implement the change by the Board or by senior management of the Company who believe that confirmation of the decision by the Board is probable;

“**Material Fact**” means a fact that significantly affects or would reasonably be expected to have a significant effect on the market price or value of the securities of the Company;

“**Material Information**” means any information (including Material Fact or Material Change) relating to the business and affairs of the Company that results in or would reasonably be expected to result in a significant change in the market price or value of any of the Company’s securities or that would reasonably be expected to have a significant influence on a reasonable investor’s investment decisions (a list of sample Material Information is included in Schedule “A” to this Policy);

“**Pending Material Developments**” means a proposed transaction of the Company that would constitute Material Information; however, a decision to proceed with the transaction has not been made by the Board or by senior management with the expectation of concurrence from the Board;

“**Restricted Persons**” means:

- (a) directors and officers of the Company or any subsidiaries of the Company; and

- (b) employees or contractors of the Company who are routinely in possession of Undisclosed Material Information; and
- (c) shareholders who own or exercise control over 10% or more shares of the Company and their affiliates, or an employee or affiliate of an organization doing business with the Company who may, by nature of the business, come into contact with Undisclosed Material Information;

“**Undisclosed Material Information**” means Material Information pertaining to the Company that has not been Generally Disclosed.

TERMS OF THIS POLICY

1. Application of this Policy

This Policy applies to all Restricted Persons and Employees of the Company and continues to apply to Restricted Persons and Employees until the later of (i) 30 days after such Restricted Persons or Employees cease to be Restricted Persons or Employees, and (ii) the date that any Blackout Period that is in effect on the date such Restricted Persons or Employees cease to be Restricted Persons or Employees is lifted. If there is any question or concern with respect to the application of this policy to any Restricted Person or Employee of the Company or to any circumstance, the CEO or CFO should be contacted for guidance.

2. General Prohibition

No Restricted Persons or Employees shall trade in the securities of the Company when they are aware of Undisclosed Material Information or during a Blackout Period. In addition, Restricted Persons or Employees are prohibited from informing, or “tipping”, anyone else about that information. This prohibition extends to other securities of which price or value may reasonably be expected to be affected by changes in the price of the Company’s securities and includes the granting or exercise of stock options.

Disclosure of Material Information in the “necessary course of business” may be permitted in limited situations, if the person receiving the information understands both that it must be kept confidential (which should be confirmed in writing, in appropriate circumstances) and that he or she cannot buy or sell securities of the Company until the information has been generally disclosed.

The question of whether a disclosure is being made in the “necessary course of business” is a mixed question of law and fact that must be determined in each case. The “necessary course of business” exception to the prohibition on tipping exists so as not to unduly interfere with a company’s ordinary business activities. For example, the “necessary course of business” exception would generally cover communications with (i) employees, officers and board members; (ii) lenders, legal counsel, auditors, underwriters and financial and other professional advisors to the Company; (iii) parties to negotiations; and (iv) government agencies and non-governmental regulators. Disclosure by a company in connection with a private placement may be in the “necessary course of business” for companies to raise financing. Securities regulators recognize that select communications between the parties to a private placement of Material Information may be necessary to affect the private placement. Nevertheless, in these situations, Material Information that is provided to private placees should be generally disclosed at the earliest opportunity.

Subject to the “necessary course of business” exception, Material Information is to be kept strictly confidential by all Restricted Persons and Employees until after it has been generally disclosed; therefore, Restricted Persons and Employees should exercise care when speaking with other personnel who do not have a “need to know” and when communicating with family, friends and others who are not associated with the Company, even if such persons are subject to this Policy. When in possession of non-public Material Information, Restricted Persons and Employees should also refrain from making recommendations about buying or selling securities of the Company or securities of other companies with which the Company has a relationship.

If any Restricted Persons and Employees has any doubt with respect to whether any information is Material Information or whether disclosure of Material Information is in the “necessary course of business”, the individual is required to contact the CEO or CFO.

3. Undisclosed Material Information

No Restricted Persons or Employees shall reveal Undisclosed Material Information to any person unless the disclosure must occur in the necessary course of business (e.g., discussions with the Company's bankers or advisers where the disclosure of such information is necessary) following consultation with the CEO or CFO to confirm such Undisclosed Material Information may be disclosed. The CEO or CFO should be consulted in advance to determine if it is appropriate to reveal the Undisclosed Material Information in the circumstances.

4. Undisclosed Material Information of Other Companies

Where Restricted Persons or Employees become aware of Undisclosed Material Information concerning another public company, they shall not trade in the securities of that company until the information is publicly disclosed and a reasonable period of time for its dissemination has passed. Generally, a “reasonable period of time” will be 48 hours; however, it may be longer depending upon the particular market following of that other company. The CEO or CFO should be consulted to determine what would be a “reasonable period of time” in the circumstances.

5. Blackout Period

The Company retains the full unfettered right to determine if and when a Blackout Period will be imposed and when it will be lifted. The CEO, in consultation with senior management, will be responsible for determining when to impose a Blackout Period and for setting the length of the Blackout Period and any other conditions or restrictions during the Blackout Period, and for notifying Restricted Persons and Employees of a Blackout Period.

In the event that a Blackout Period is imposed by the Company all Restricted Persons and Employees shall cease trading the securities of the Company until further notice. Senior management may decide that trading in the Company’s securities may occur during the Blackout Period but only with the express prior written approval of the CEO or CFO regarding each such trade. This alternative will only be available during a Blackout Period if the written notice of the Blackout Period so states.

A Blackout Period will generally be imposed by the CEO by notice in writing:

- as a result of a Pending Material Development, once negotiations on a proposed transaction have progressed to a point where it reasonably could be expected that the market price of the Company’s securities would materially change if the status of the negotiations or transaction were publicly disclosed. The Blackout Period will remain in effect until one full trading day has elapsed after the trading day on which the transaction is publicly announced, if it is proceeding, or if it is not proceeding, until one full trading day has elapsed after the trading day that CEO has provided notice in writing that the Blackout Period has been lifted or otherwise indicates that discussions about the transaction have terminated; or
- when there is a Material Information pending which has not yet been publicly announced. The Blackout Period will remain in effect until one full trading day has elapsed after the trading day on which such Material Information or a Material Change is publicly announced; or
- at any other time, senior management and the Information Officer deem it to be appropriate in the circumstances.

When a Blackout Period is imposed it will mean that until it expires or is otherwise lifted, Restricted Persons and Employees will **not** be entitled to:

- **exercise or convert any stock options** or other convertible or exercisable securities of the Company; or

- **sell or purchase any shares** or other securities of the Company whether privately or through the market.

The CEO may also consider setting, and advising of, specific and routine Blackout Periods for routine and scheduled material announcements.

Exemptions

Individuals subject to a Blackout Period who wish to trade Company securities may apply to the CEO for approval to trade securities of the Company during the Blackout Period. Any such request should describe the nature of, and reasons for, the proposed trade. The CEO will consider such requests and will inform the requisitioning individual whether the proposed trade may be made. The requisitioning individual may not make any such trade until he or she has received the specific e-mail notification from the CEO that the trade has been approved.

6. Mandatory Blackout Period Involving Financial Statement Preparation

No trading of Company securities is permitted by Restricted Persons and Employees directly involved in the preparation or review of annual and quarterly financial statements from the date that is two weeks (or the date the financial statements are submitted to the auditors) prior to the earlier of the planned date of public disclosure as determined by the CFO and the required date of public disclosure until a minimum of two full trading days have elapsed following the trading day on which the financial results have been publicly disseminated. Any trading or tipping with respect to such information during this restricted period would be considered a breach of securities legislation and this Policy. A formal notice concerning the Blackout Period will be issued by the Company in respect of this mandatory Blackout Period.

7. Extensions on Convertible Securities

Certain exercisable or convertible securities, including stock options, issued to Restricted Persons and Employees may expire during a Blackout and such exercisable or convertible securities may be exercisable or convertible for a period of time, as determined by the Board, after such expiry date, at the sole discretion of the Board (subject to any required regulatory approval).

8. Notification

The CEO or CFO should be notified immediately in the event of Restricted Persons or Employees trading in Company securities during a Blackout Period.

9. Reporting Requirements

Certain persons related to the Company who are “reporting insiders” under applicable securities legislation are required to file insider reports with securities regulators reflecting any direct or indirect beneficial ownership of, or control or direction over, securities of the Company and of any change in such ownership, control or direction. Reporting insiders of the Company include, but are not limited to, its directors; certain officers; a person responsible for a principal business unit, division, or function of the Company; a significant shareholder of the Company; and any other insider that in the ordinary course receives or has access to Material Non-disclosed Information concerning the Company and that directly or indirectly exercises, or has the ability to exercise, significant power or influence over the business, operations, capital or development of the Company. It is the responsibility of each reporting insider (and not the Company) to comply with these reporting requirements. The Company will assist any reporting insider in the preparation and filing of insider reports upon request.

10. Penalties

It is a condition of the appointment, employment or engagement of all Restricted Persons and Employees that they always abide by the standards, requirements and procedures set out in this Policy. Any Restricted Persons and Employees who violate this Policy may face disciplinary action up to and including termination for cause without notice of his or her employment or appointment with or engagement by the Company. The violation of this Policy may also violate certain securities

laws. If it appears that a violation of this Policy may have resulted in a contravention of securities laws, the Company may refer the matter to the appropriate regulatory authorities, which could lead to penalties, fines or imprisonment.

The prohibition against trading on Undisclosed Material Information as set forth in Canadian securities legislation can be enforced through a wide range of penalties, including:

- (a) fines and penal sanctions;
- (b) civil actions for damages;
- (c) an accounting to the Company for any benefit or advantage received; and
- (d) administrative sanctions by securities commissions, such as cease trade orders and removal of exemptions.

11. Prohibition Against Speculative Transactions and Hedging

Speculative Transactions

Restricted Persons and Employees must not engage, directly or indirectly, in short-term, speculative transactions involving the Company's securities. Speculative transactions involve the purchase or sale of the Company's securities with the intention of reselling or buying the securities back in a relatively short period of time in the expectation of a rise or fall in the market price of such securities. This includes short sales (transactions where you borrow shares, sell them and then buy shares at a later date to replace the borrowed shares) and buying or selling put or call options (which are options or rights to sell or buy, respectively, specific shares at a specific price before a set date) or other derivative securities relating to the Company's shares.

Hedging

No Restricted Persons and Employees may, directly or indirectly, engage in any kind of hedging transaction that could reduce or limit the Restricted Persons and Employees economic risk with respect to the Restricted Persons and Employees holdings, ownership or interest in or to common shares or other securities of the Company, including outstanding stock options, referenced to or based on the value or market price of common shares in the capital of the Company or other securities of the Company. Prohibited transactions include the purchase by Restricted Persons and Employees of financial instruments, including prepaid variable forward contracts, equity swaps, collars, or units of exchange funds that are designed to hedge or offset a decrease in market value of equity securities granted as compensation or held, directly or indirectly, by the Restricted Persons and Employees.

12. Information

Should you have any questions or wish information concerning the above, please contact the CFO at phestead@bluestonerresources.ca.

13. Communication of this Policy

To ensure that Restricted Persons are aware of this Policy, a copy of this Policy will be distributed to all Restricted Persons who will be required to annually sign an acknowledgement that they have received, read, and will abide by the Policy. All Restricted Persons will be informed whenever significant changes have been made to this Policy. All new Restricted Persons will be provided with a copy of this Policy together with the *Code of Ethics* and advised of its importance. Any other stakeholders can refer to the Company website page for updated information on this Policy.

14. Policy Review

The Company will review this policy annually to ensure that it is achieving its purpose. Based on the results of the review, the Policy may be revised accordingly.

Original approval date: March 8, 2018

Approved by: Corporate Governance & Nominations Committee and Board of Directors

SCHEDULE "A"**COMMON EXAMPLES OF MATERIAL INFORMATION**

The following examples are not exhaustive.

Changes in Corporate Structure

- changes in share ownership that may affect control of the Company
- major reorganizations, amalgamations, or mergers
- take-over bids, issuer bids, or insider bids

Changes in Capital Structure

- the public or private sale of additional securities
- planned repurchases or redemptions of securities
- planned splits of common shares or offerings of warrants or rights to buy shares
- any share consolidation, share exchange, or stock dividend
- the possible initiation of a proxy fight
- material modifications to rights of security holders

Changes in Financial Results

- a significant increase or decrease in near-term earnings prospects
- unexpected changes in the financial results for any periods
- shifts in financial circumstances, such as cash flow reductions, major asset write-offs or write-downs
- changes in the value or composition of the Company's assets
- any material change in the Company's accounting policy

Changes in Business and Operations

- any development that affects the Company's resources, products or markets
- a significant change in corporate objectives
- major labour disputes or disputes with major contractors or suppliers
- significant new contracts, or significant losses of contracts or business
- significant discoveries
- changes to the board of directors or executive management, including the departure of the company's CEO, CFO, COO or President (or persons in equivalent positions)
- the commencement of, or developments in, material legal proceedings or regulatory matters
- waivers of corporate ethics and conduct rules for officers, directors, and other key employees
- any notice that reliance on a prior audit is no longer permissible
- de-listing of the Company's securities or their movement from one quotation system or exchange to another

Acquisitions and Dispositions

- significant acquisitions or dispositions of assets, property or joint venture interests
- acquisitions of other companies, including a take-over bid for, or merger with, another company