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Vancouver, British Columbia V6C 2V6
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Management Information Circular

Dated this 2nd day of November 2018

Who We Are

Bluestone Resources is a mineral exploration and development company that is focused on advancing its 100%-owned Cerro Blanco Gold and Mita Geothermal projects located in Guatemala. For further details on the Cerro Blanco Gold project economics, please refer to the Company's Cerro Blanco Preliminary Economic Assessment which is available at www.sedar.com. The Company trades under the symbol "BSR" on the TSX Venture Exchange and "BBSRF" on the OTCQB.

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Notice of Annual General and Special Meeting of Shareholders

NOTICE IS HEREBY GIVEN that the annual general and special meeting (the “**Meeting**”) of the shareholders of Bluestone Resources Inc. (the “**Company**” or “**Bluestone**”) will be held at **9:00 a.m. (Pacific Time) on Friday, December 7, 2018** in the Conference Room at 240 - 830 West Pender Street, Vancouver, British Columbia, to:

1. receive and consider the audited annual consolidated financial statements of the Company for the fiscal period ended December 31, 2017, with the report of the auditors therein;
2. elect seven directors and fix their terms of office;
3. appoint Davidson & Company LLP as auditors of the Company for the ensuing year and authorize the directors to fix their remuneration;
4. to consider and, if thought fit, pass an ordinary resolution to approve the amended Stock Option Plan; and
5. transact any other business as may properly come before the Meeting or any adjournments thereof.

You have the right to vote your shares if you were a Bluestone shareholder on November 2, 2018, the record date for the Meeting which was fixed by resolution of the Board of Directors of the Company.

If you are unable to attend the Meeting, you are encouraged to vote your proxy by mail, internet, or telephone. Please see information in the Information Circular on how to vote. To be valid, your proxy must be received by Computershare, the Company’s transfer agent, no later than 9:00 a.m. (Pacific Time) on December 5, 2018, or not later than 48 hours before the time of any adjourned Meeting (excluding Saturdays, Sundays and holidays). The Chair of the Meeting has the discretion to accept late proxies.

If you have any questions relating to the Meeting, please contact the Company by calling 604-646-4534, or by email at info@bluestonerresources.ca.

Dated at Vancouver, British Columbia this 2nd day of November 2018.

BY ORDER OF THE BOARD OF DIRECTORS

“Darren Klinck”

Darren Klinck
President, Chief Executive Officer and Director



(the “Company” or “Bluestone”)

1020 - 800 West Pender Street
Vancouver, British Columbia V6C 2V6

MANAGEMENT INFORMATION CIRCULAR

General Information

Information contained in this Management Information Circular (the “**Information Circular**” or “**Circular**”) is as of November 2, 2018 (the “**Record Date**”) unless otherwise indicated. All dollar amounts referenced herein are in Canadian Dollars (“**CAD**”), unless otherwise specified. The exchange rate as at December 31, 2017 was CAD\$1.00 = US\$0.797.

This Information Circular has been approved by the board of directors of the Company (the “**Board**” or “**Directors**”).

Voting Information

The Company is authorized to issue an unlimited number of common shares without par value. On the Record Date, 63,840,560 common shares (“**Common Shares**”) were issued and outstanding, each share carrying the right to one vote. On any poll, the persons named in the form of proxy will vote the shares in respect of which they are appointed. Where instructions are given by the shareholder in respect of voting for or against any resolution, the proxy holders will do so in accordance with such instructions.

Only shareholders of record on the close of business on the Record Date, who either personally attend the Meeting or who complete and deliver a form of proxy in the manner and subject to the provisions set out under the headings **Record Date** and **Appointment and Revocation of Proxies** will be entitled to have their shares voted at the Meeting or any adjournment thereof.

To the knowledge of the Directors and senior officers of the Company there are no persons or companies beneficially owning or controlling or directing, directly or indirectly, shares carrying 10% or more of the voting rights attached to all outstanding shares of the Company other than CDS & Co. and Cede & Co., except as follows:

Name and Address	Number of Shares	Percentage of Outstanding Common Shares
Zebra Holdings and Investment SARL ¹	15,131,000	23.7%
Lorito Holdings SARL ¹	7,998,000	12.5%
CD Capital Natural Resources Fund LLP	10,666,333	16.7%

- (1) Two companies controlled by a trust settled by the late Adolf H. Lundin, as such joint actors. Collectively, these companies hold and control 23,129,000 common shares or approximately 36.2% of the current issued and outstanding common shares of the Company.

The above information was supplied to the Company by the above shareholders and from information available at www.sedi.ca and www.sedar.com.

Bluestone urges shareholders to review this Information Circular prior to voting.

Solicitation of Proxies

This Information Circular is furnished in connection with the solicitation of proxies by the management of the Company for use at the Meeting (and at any adjournment thereof) to be held on **Friday, December 7, 2018** at the time and place and for the purposes set forth in the accompanying Notice of Meeting.

The Company will bear the expense of this solicitation. It is expected that the solicitation will be made by mail, but regular employees or representatives of the Company (none of whom shall receive any extra compensation for these activities) may also solicit by telephone, facsimile, and in person and arrange for intermediaries to send this Information Circular and the form of proxy to their principals at the expense of the Company.

Record Date

The Company has set the close of business on **November 2, 2018** as the Record Date for determining which shareholders shall be entitled to receive notice of the Meeting and to vote at the Meeting. Only shareholders of record as of the Record Date shall be entitled to receive notice of the Meeting and to vote at the Meeting.

Appointment and Revocation of Proxies

The persons named in the form of proxy are designated as proxy holders by management of the Company. **A shareholder wishing to appoint some other person (who need not be a shareholder) to represent him or her at the meeting may do so either by inserting such person's name in the blank space provided in the form of proxy or by completing another proper form of proxy and, in either case, delivering the completed form of proxy to Computershare Investor Services Inc., 8th Floor, 100 University Avenue, Toronto, Ontario, M5J 2Y1, not less than 48 hours (excluding Saturdays, Sundays, and holidays) prior to the time of the Meeting unless the person who is the chair of the Meeting (the "Chair") elects to exercise his discretion to accept proxies received subsequently.** Telephone voting can be completed at 1-866-732-VOTE (1-866-732-8683) and internet voting can be completed at www.investorvote.com.

Provisions Relating to Voting of Proxies

The shares represented by proxy will be voted or withheld from voting by the designated proxy holder in accordance with the instructions of the shareholder appointing him or her on any ballot that may be called for and, if the shareholder specifies a choice with respect to any matter to be acted upon, the shares will be voted accordingly. If there are no instructions provided by the shareholder, those shares will be voted in favour of all proposals set out in this Circular. The form of proxy gives the person named in it the discretion to vote as they see fit on any amendments or variations to matters identified in the Notice of Meeting, or any other matters which may properly come before the Meeting. At the time of printing of this Circular, the management of the Company knows of no other matters which may come before the Meeting other than those referred to in the Notice of Meeting.

Revocation of Proxies

Any registered shareholder who has returned a form of proxy may revoke it at any time before it has been exercised. In addition to revocation in any other manner permitted by law, a proxy may be revoked by instrument in writing, including a proxy bearing a later date, executed by the registered shareholder or by an attorney authorized in writing or, if the registered shareholder is a corporation, under its corporate seal or by an officer or attorney thereof duly authorized.

The instrument revoking the proxy must be deposited at (i) the registered office of the Company, Suite 1020 - 800 West Pender Street, Vancouver, British Columbia, Canada, V6C 2V6, at any time up to and including the last business day preceding the date of the Meeting or any adjournment thereof duly authorized; or (ii) provided at the Meeting to the Chair of the Meeting. Only registered shareholders have the right to revoke a proxy. Non-registered shareholders who wish to change their vote must, at least seven (7) days before the Meeting, arrange for their respective intermediaries to revoke the proxy on their behalf.

Advice to Beneficial Shareholders of Common Shares

A substantial number of shareholders do not hold common shares in their own names (“**Beneficial Shareholders**”). You are a Beneficial shareholder if the shares you own are registered in the name of an intermediary such as a bank, a trust company, a securities broker, a trustee, or other nominee and not in your name. Only proxies deposited by shareholders whose names appear on the records of the Company as the registered holders of common shares can be recognized and acted upon at the Meeting. In Canada, the vast majority of such common shares are registered in the name of the shareholder’s broker or an agent of that broker like CDS & Co. (the registration name for The Canadian Depository for Securities Limited, which acts as nominee for many Canadian brokerage firms). Common shares held by brokers or their agents or nominees can only be voted upon the instructions of the Beneficial Shareholders. Therefore, Beneficial Shareholders should ensure that instructions respecting the voting of their common shares are communicated to the appropriate person well in advance of the Meeting.

There are two kinds of Beneficial Shareholders, (i) those who object to their names being made known to the Company, referred to as objecting beneficial owners (“**OBOs**”), and (ii) those who do not object to the Company knowing who they are, referred to as non-objecting beneficial owners (“**NOBOs**”). The Company has distributed copies of the Notice of Meeting and the form of proxy to the clearing agencies and intermediaries for distribution to OBOs and NOBOs.

Applicable regulatory policies require intermediaries/brokers to seek voting instructions from Beneficial Shareholders in advance of shareholders’ meetings. Every intermediary/broker has its own mailing procedures and provides its own return instructions to clients, which should be carefully followed by Beneficial Shareholders to ensure that their common shares are voted at the Meeting.

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting common shares registered in the name of the Beneficial Shareholder’s broker (or agent of the broker), a Beneficial Shareholder may attend the Meeting as proxy holder for the registered shareholder and vote the common shares in that capacity. Beneficial Shareholders who wish to attend the Meeting and indirectly vote their common shares as proxy holder for the registered shareholder should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker (or agent), well in advance of the Meeting. Alternatively, a Beneficial Shareholder may request in writing that their broker send to the Beneficial Shareholder a legal proxy which would enable the Beneficial Shareholder to attend at the Meeting and vote their common shares.

If the Company or its agent has sent these materials directly to you, your name, address and information about your holding of securities has been obtained in accordance with applicable securities regulatory requirements from the nominee holding on your behalf. By choosing to send the Notice of Meeting, and if applicable, the Meeting Materials to you directly, the Company (and not the nominee holding on your behalf) has assumed responsibility for delivering materials to you and executing your proper voting instructions. Please return your voting instructions as specified in the request for voting instructions. The Company intends to pay for intermediaries to forward the proxy-related materials and the request for voting instructions made by intermediary to OBOs.

Voting of Shares and Exercise of Discretion of Proxies

On any poll, the persons named in the form of proxy provided to registered shareholders will vote the shares in respect of which they are appointed and, where instructions are given by the shareholder in respect of voting for or against any resolutions will do so in accordance with such instructions.

In the absence of any direction in the proxy, it is intended that such shares will be voted in favour of the motions proposed to be made at the Meeting as stated under the headings in this Information Circular. The form of proxy, when properly signed, confers discretionary authority with respect to amendments or variations to any matters which may properly be brought before the Meeting. At the date of this Information Circular, management of the Company is not aware that any such amendments, variations or other matters are to be presented for action at the Meeting. However, if any other matters, which are not now known to management, should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the proxy holders.

Business of Meeting

1. Financial Statements

The audited annual consolidated financial statements of the Company for the year ended December 31, 2017 and the report of the auditors thereon will be placed before the shareholders at the Meeting.

The audited annual consolidated financial statements and management's discussion and analysis of the Company for the year ended December 31, 2017 are available upon request from the Company or they can be found on SEDAR at www.sedar.com or on the Company's website at www.bluestonerresources.ca.

2. Election of Directors

The Board has set the number of Directors at seven. All of the seven nominated Directors have confirmed their willingness to serve on Bluestone's Board for the 2018 term. The term of office of each of the present Directors expires at the Meeting. The nominees proposed for election as Directors were recommended to the Board by the Corporate Governance and Nominations Committee of the Board ("**CGN Committee**").

Shareholders can vote for all of the proposed nominees, vote for some of the proposed nominees and withhold for others, or withhold for all of the proposed nominees. Unless otherwise instructed, the persons named in the form of proxy intend to vote for the election of each of these nominees. Management does not contemplate that any of these nominees will be unable to serve as a Director. Each Director elected will hold office until the next annual general meeting of the Company or until his or her successor is elected or appointed, unless his or her office is earlier vacated in accordance with the Articles of the Company or with the provisions of the British Columbia *Business Corporations Act*.

Director nominees for 2018 are:

Zara Boldt	Paul McRae
Leo Hathaway	Jim Paterson
Darren Klinck	John Robins
William Lamb	

Each of the nominees is well qualified and demonstrates the competencies, character, and commitment that is complementary to Bluestone's needs and culture and has expressed his or her willingness to serve on the Board. Further information on each of the nominees can be found under the heading **Director Profiles** starting on page 7.

The Board recommends that the shareholders vote FOR each of the above nominees proposed for election as Directors, as disclosed in this Circular. Unless instructed in the form of proxy to the contrary, the persons named in the form of proxy intend to vote FOR each of the nominees proposed for election as Directors, as disclosed in this Circular.

Advance Notice Policy

The Company's Advance Notice Policy provides shareholders, Directors and management of the Company with a clear framework for nominating Directors. The Advance Notice Policy fixes a deadline by which holders of record of Common Shares must submit Director nominations to the Company prior to any annual or special meeting of shareholders and sets forth the information that a shareholder must include in the notice to the Company for the notice to be in proper written form in order for any Director nominee to be eligible for election at any annual or special meeting of shareholders.

In the case of an annual general meeting of shareholders, notice to the Company must be made not less than 30 nor more than 65 days prior to the date of the annual general meeting; provided, however, that in the event that the annual general meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual general meeting was made, notice may be made not later than the close of business on the 10th day following such public announcement. The Board may, in its sole discretion, waive any requirement of the Advance Notice Policy. The full text of the Advance Notice Policy is available upon request to the Company at info@bluestonerresources.ca.

3. Appointment of Auditors

Davidson & Company LLP has been Bluestone's independent auditor since 2014. Upon the recommendation of the Audit Committee, shareholders will be asked to approve the re-appointment of Davidson & Company LLP as auditor and also to authorize the Board to set the auditor's remuneration for 2018.

The Board recommends that shareholders vote FOR the appointment of Davidson & Company LLP as auditors for the Company at a remuneration to be fixed by the Directors, as disclosed in this Circular. Unless instructed in the form of proxy to the contrary, the persons named in the form of proxy intend to vote FOR the appointment of Davidson & Company LLP as auditors for the Company at a remuneration to be fixed by the Directors, as disclosed in this Circular.

4. Approval of Amended Stock Option Plan

The Stock Option Plan is a key component of the Company's compensation program and is used to attract, motivate and retain high calibre employees. Accordingly, the Board recommends shareholders approve the amended Stock Option Plan, as disclosed in the Information Circular. The amended Stock Option Plan is required to be approved by a majority of the votes cast by the shareholders of the Company present in person or represented by proxy at the Meeting.

The terms of the Stock Option Plan are included in their entirety as Schedule "C" to this Circular and details regarding the Stock Option Plan are described under the heading *Equity Compensation Plan Information*.

Resolution to Approve Amended Stock Option Plan

At the Meeting, shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to approve the amended Stock Option Plan, as disclosed in this Circular, substantially in the following form:

"WHEREAS:

- A. the Company has a Stock Option Plan (the "Stock Option Plan") for Directors, Employees, and Consultants which reserves for the grant of options under the Plan up to a maximum of 10% of

the issued shares of the Company from time to time;

- B. the shareholders of the Company last approved the Stock Option Plan, by a majority of votes cast, at the Company's Annual General Meeting held on October 25, 2017;
- C. the Board of Directors of the Company on October 31, 2018 adopted amendments to the Stock Option Plan;
- D. rules of the TSX Venture Exchange provide that the Company's Stock Option Plan must be approved by the shareholders of the Company annually;

BE IT RESOLVED THAT the continuation of the Stock Option Plan as amended, as disclosed in this Circular, be and is hereby ratified and approved."

If continuation of the amended Stock Option Plan is not approved at the Meeting, the Company will not be permitted to grant further options until shareholder approval is obtained. However, all options previously granted and unexercised will continue unaffected.

The Board recommends that shareholders vote FOR the resolution to approve the continuation and amendments of the Stock Option Plan. Unless instructed in the form of proxy to the contrary, the persons named in the form of proxy intend to vote FOR the approval of the resolution to approve the amended Stock Option Plan.

5. Other Business

At the date of this Information Circular, management of the Company is not aware of any other matters to be presented for action at the Meeting. However, if any other matters which are not now known to management should properly come before the Meeting, the proxies hereby solicited will be exercised on such matters in accordance with the best judgment of the proxy holders.

Director Profiles

The following profiles provide information about the nominees including their background, occupation, meeting attendance, and other public company boards on which they serve. All information is as of November 2, 2018, unless otherwise indicated, and has been furnished by the respective nominees and from information available on SEDI at www.sedi.com.

ZARA BOLDT Vancouver, BC, Canada Independent Director since October 2017 Other Public Company Directorships: Gold Standard Ventures Corp. Bluestone Common Shares held: 16,500	CFO and Corporate Secretary of Lucara Diamond Corporation since April 2018; CFO of Strongbow Exploration Inc., September 2015 to March 2018 and Corporate Secretary May 2004 to March 2018		
	Meetings Attended in 2017		
	Board ⁽¹⁾	2 of 2	100%
	Committee Meetings Attended		
	N/A		
⁽¹⁾ Only two Board meetings were held after the date Ms. Boldt was appointed to the Board.			
LEO HATHAWAY Vancouver, BC Canada Independent Director since February 2017 Other Public Company Directorships: None Bluestone Common Shares held: 216,666	Senior VP Exploration, Luminex Resources Corp. since September 2018; Executive VP, Libero Copper Corp. since August 2016; Consultant, Lumina Capital Ltd. since April 2014, and Senior VP since July 2014; Senior Technical Director, Miedzi Copper Corp. since March 2012		
	Meetings Attended in 2017		
	Board	6 of 6	100%
	Committee Meetings Attended		
	Audit Committee	4 of 4	100%
DARREN KLINCK North Vancouver, BC Canada Executive Director since August 2017 Other Public Company Directorships: None Bluestone Common Shares held: 225,177	President and CEO of the Company since August 1, 2017; Executive Vice President and Head of Corporate Development for OceanaGold Corporation from April 2007 to June 2017		
	Meetings Attended in 2017		
	Board ⁽¹⁾	2 of 2	100%
	Committee Meetings Attended		
	N/A		
⁽¹⁾ Only two Board meetings were held after the date Mr. Klinck was appointed to the Board.			

<p>WILLIAM LAMB West Vancouver, BC Canada Independent Director since October 2017 and Lead Director since March 2018 Other Public Company Directorships: Riley Resources Corp. Bluestone Common Shares held: 0</p>	Executive Chairman at Riley Resources Corp. since September 2018; President, CEO and director of Lucara Diamond Corp. May 2011 to February 2018		
	Meetings Attended in 2017		
	Board ⁽¹⁾	2 of 2	100%
	Committee Meetings Attended		
	N/A		
⁽¹⁾ Only two Board meetings were held after the date Mr. Lamb was appointed to the Board.			
<p>PAUL McRAE Quarteira, Portugal Independent Director since October 2017 Other Public Company Directorships: None Bluestone Common Shares held: 0</p>	Senior Vice President, Projects of Lundin Mining Corporation since January 2012		
	Meetings Attended in 2017		
	Board ⁽¹⁾	2 of 2	100%
	Committee Meetings Attended		
	N/A		
⁽¹⁾ Only two Board meetings were held after the date Mr. McRae was appointed to the Board.			
<p>JIM PATERSON Fort Mill, SC, USA Independent Director since 2011 Other Public Company Directorships: ValOre Metals Corp. Bluestone Common Shares held: 180,350</p>	CEO since 2010 and a director since March 2008 of ValOre Metals Corp. (previously named Kivalliq Energy Corporation)		
	Meetings Attended in 2017		
	Board	6 of 6	100%
	Committee Meetings Attended		
	Audit Committee	4 of 4	100%
<p>JOHN ROBINS Lions Bay, BC, Canada Board Executive Chair Director since 2008 Other Public Company Directorships: Fireweed Zinc Ltd. K2 Gold Corporation Bluestone Common Shares held: 3,747,812</p>	Self-employed professional geologist since 1984		
	Meetings Attended in 2017		
	Board	5 of 6	83%
	Committee Meetings Attended		
	N/A		

Committees of the Board of Directors

As at the date of this Information Circular, there are five committees of the Board (the “Committees”) set out below. All committees, except the Audit Committee, were constituted on November 3, 2017.

The following table sets out the members of such Committees as at the date of this Information Circular. After the Meeting, the Board shall reconstitute the composition of the Committees.

Name of Committee	Members of Committee
Audit Committee	Zara Boldt (Chair) Jim Paterson Keith Peck ⁽¹⁾
Compensation Committee	Jim Paterson (Chair) Zara Boldt William Lamb Keith Peck ⁽¹⁾
Corporate Governance & Nominations (“CGN”) Committee	Keith Peck (Chair) ⁽¹⁾ Zara Boldt Jim Paterson
Health, Safety, and Sustainability (“HSS”) Committee	William Lamb (Chair) Darren Klinck Paul McRae John Robins
Technical Committee	Leo Hathaway (Chair) William Lamb Paul McRae John Robins

(1) Mr. Peck is not standing for re-election to the Board.

The HSS Committee consists of two directors, the CEO, and members of management as determined by the CEO and assists the Board in fulfilling its oversight responsibilities with respect to compliance with applicable environmental, health, safety, and human rights legislation, rules and regulations, and adherence to sustainable development standards (the balancing of environmental, social and economic interests) consistent with corporate objectives and accepted stakeholder expectations.

The Technical Committee consists of three directors, one of which must be a non-executive director, and the CEO. The purpose of the Technical Committee is to provide assurance to the Board as to the operational performance and operating risks of the Company, regarding those areas where technical understanding is required:

- exploration, permitting, development, construction, operation of mining activities, security, and supply chain management;
- resources and reserves on the Company’s mineral resource properties;
- operating and production plans for proposed and existing operating mines;
- exploration, permitting, development, construction, operation of geothermal project, security, and supply chain management; and
- ensuring the Company implements best-in-class property development and operating practices.

Corporate Governance Practices

The CGN Committee considers and recommends corporate governance policies and mandates to the Board for consideration, proposes all nominees for the Board and committee appointments, and assists the Board with committee and Director evaluations to ensure corporate governance practices are up to date with best practices and appropriate for the Company. The Company's corporate governance policies and mandates may be viewed on the Company's website at: <http://www.bluestonerresources.ca/about-us/corporate-governance/>.

Board of Directors

(a) Independence

On an annual basis, the CGN Committee assists the Board in its consideration of assessing each Director's independence and reviews the relationship each Director has with the Company to determine whether their independence is maintained. When a Director has no direct or indirect material relationship with the Company or its subsidiaries which could interfere with the Director's independent judgment, that Director is considered to be independent. The Board has determined that a majority, consisting of six of the eight Directors, are independent. The Executive Chair, John Robins, and the President and CEO, Darren Klinck are executive officers of the Company. William Lamb is the independent Lead Director of the Company.

(b) Meetings of Independent Directors

The Canadian Securities Administrator's corporate governance guidance suggests that independent Directors hold regularly scheduled meetings at which non-independent Directors and members of Management are not in attendance. In 2017, there were six meetings of the Board, after which all were followed by a meeting of the independent Directors without the involvement of management or non-independent Directors. In addition, meetings of certain committees of the Board took place during the year. The Audit Committee consists of three independent Directors and meets quarterly. A Compensation Committee, and a Corporate Governance and Nominations Committee, also consisting of only independent Directors, were established in 2017; and a Health, Safety, and Sustainability Committee and a Technical Committee were also established in 2017.

(c) Role of Chair and Lead Director

The Chair, with the assistance of the Lead Director (if one is appointed from time to time), is responsible for the management, development and effective performance of the Board and leads the Board to ensure that it fulfills its duties to be effective in setting and implementing direction and strategy, and to work closely with the CEO to ensure the strategy agreed by the Board is put into effect.

Board Charter

The full text of the Board Charter is attached as Schedule "A".

Position Descriptions

The Board has adopted written position descriptions for its Chair and also the Chair of each of the Committees. The position descriptions are in line with each of the Committee mandates, which are also reviewed and updated from time to time by its members. The Compensation Committee and the CEO have developed a position description for the CEO which has been approved by the Board. The

Compensation Committee annually reviews and monitors the achievement of corporate objectives that the CEO is responsible to meet.

Orientation and Continuing Education

A new Director is provided with an orientation to the role of the Board, its Committees and Directors, and to the nature and operation of the business. This consists of:

- i) a series of meetings held with the Chair, individual Directors, and the CEO to take place prior to the next formal Board meeting;
- ii) the issuance of a Board manual containing current updates about the Company and its properties, minutes of recent meetings and pertinent Board reports, Board and committee mandates, Company policies, position descriptions, list of key contacts and roles; and
- iii) a tour of the Company's head office with introductions to key employees and opportunities for one-on-one discussions, and the opportunity to attend at least one site visit which provides the new appointee with an on-site orientation to the Company's property and facilities.

The Board does not provide continuing education for its Directors as a group. To ensure that Directors maintain the skill and knowledge necessary to meet their obligations as Directors, Directors are briefed at least monthly and at each Board meeting by the CEO or senior management on strategic issues or challenges which may affect the Company, its relationships, performance, budget, and any trends which may influence or change the planned development of the Company. In addition, the Board recommends and encourages attendance at applicable meetings, conferences, and other educational training to upgrade skills and assist Directors in fulfilling their roles. The Company will cover the cost of this training and will expect to be briefed on relevant issues which the Company needs to address. Although it is the individual Directors themselves who are responsible for keeping their education current, each of the Directors hold memberships in relevant organizations and circulate information freely to other Directors, including opportunities to attend conferences or training.

Ethical Business Conduct

The Board has adopted a written code of ethics (the "Code") for its Directors, officers, and all employees. The Code may be viewed on the Company's website at <http://www.bluestonerresources.ca/about-us/corporate-governance/>. To ensure and monitor compliance with the Code, the Company circulates a copy of the Code to each new employee and to all employees annually, requesting a signature acknowledging its receipt and their responsibility to review and comply with the Code. In addition, the Company has a whistleblower policy which allows anonymous reporting to an outside service or directly to the Chair of the Audit Committee. Whistleblowing is monitored by the Audit Committee and any reported infractions are communicated to the Chair of the Audit Committee. This information has also been distributed to all Company employees. From January 1, 2017 to the date of this Information Circular, there were no reports regarding misconduct and/or departures from the Code.

The Company has had no material transactions or agreements in respect of which a Director or executive officer has a material interest. However, if this were to occur, the Board would conduct at least one meeting without the affected Director or executive officer present, and this person would abstain from any required approval for the transaction. Resolutions would be signed by only the non-affected or arms-length Directors.

Board Assessment and Renewal, and Nomination of Directors

The Board undertakes a robust annual assessment process that includes:

- Director reviews conducted through one-on-one conversations between the Chair of the Board and the Chair of the CGN Committee.
- An informal discussion by the Chair with Directors on a selective basis, as required, to fully understand any concerns raised or recommendations advanced by such Director, and the preparation by the Chair of the CGN Committee a report to, and discussion among, the full Board which includes matters concerning, size of the Board and each Committee of the Board and whether changes in size, personnel or responsibilities are warranted.
- A review and discussion of various emerging corporate governance issues and best practices, including those related to Board composition, Director term limits, “overboarding”, and diversity (Board and executive officers).
- The Board and each Committee of the Board complete an annual review and assessment of its respective mandate or charter to determine if changes are warranted.

The Company does not currently have any term limits, retirement policies, or similar mechanisms in place for forcing the renewal or replacement of its Directors.

In considering and identifying new Directors for nomination, the CGN Committee will hold a series of meetings to identify the particular skills and qualifications needed of new recruits having regard to the Company's business and objectives, as well as the then-existing composition of the Board. Once a list of key attributes, skills and competencies for a potential new Director is identified, the CGN Committee then creates a list of possible candidates for consideration and evaluation, which are then presented to the full Board for further discussion and evaluation. If and as needed, the CGN Committee may engage internal or external consultants to assist in identifying, evaluating and/or selecting appropriate Board candidates, including to ensure a diversity of potential candidates are identified. Only after rigorous discussion by the CGN Committee and the Board is a short-list of potential Board candidates created, following which the Board works together with the CGN Committee to develop the best plan to recruit the preferred candidate(s).

Board Leadership and Diversity

The Company has adopted a Board Diversity Policy, the key provisions of which are:

- The Board’s objective is to select the most qualified and highest functioning Directors from diverse backgrounds;
- The term “diversity” includes diversity of gender, race or ethnicity, sexual identity/orientation, age, cultural background, political affiliation, skills, and experience;
- Board nominees will be chosen based on the abilities, skills, and experience required from time to time, while recognizing that a more diverse Board can result in a more effective Board;
- The CGN Committee will consider candidates on merit against objective criteria and with due regard for the benefits of diversity in the Board’s composition;
- No Board term limits are imposed since the Company values the contribution of Directors which has developed over a period of time with increasing insight into the Company and its operations; and
- No fixed target regarding the representation of women on the Board.

The Company currently has one female Director (12.5%) and no female executive officers (0.0%).

The Company understands the benefits of a diversified work force, including promoting the level of female representation and other types of diversity, and diversity is one of many factors that are used in consideration for hires and promotions. In identifying and considering potential candidates for executive appointments, the Board also considers factors such as years of service, regional background, merit, experience, and qualification. In addition, the relative diversity of the Company's executive team is also driven by other factors, many of which are outside of the control of the Company, including the level of staff turnover, the candidates that are available with the necessary skills and experiences required to satisfy the Company's needs and requirements for the position when hiring and promotion opportunities arise, and various other factors. The Board does not set specific gender representation targets when identifying potential candidates to executive officer positions, but does consider diversity, and where possible, seeks to ensure a representative list of women is included among the group of prospective candidates for executive positions.

Compensation Assessments

The Board determines Director and senior officer compensation by the recommendation of the Compensation Committee. The Compensation Committee consists of four independent Directors and, with consultation from the CEO:

- reviews and assesses the overall compensation policies of the Company based on industry standards, comparable corporate policies, and characteristic needs and objectives of the Company, including consultation with independent experts;
- sets compensation parameters;
- assesses the CEO's performance against pre-agreed objectives;
- reviews performance assessments of other senior officers, new executive appointments, terminations, and employment agreements;
- makes recommendations to the Board on salary changes, short-term and long-term incentive plans or benefit plans; and
- reviews and recommends disclosure pertaining to all of the foregoing.

The Compensation Committee is responsible for reviewing and assessing the overall compensation policies of the Company based on needs and objectives of the Company, industry standards, and comparable corporate policies.

Compensation Discussion and Analysis

The following information of the Company is provided in accordance with Form 51-102F6V – *Statement of Executive Compensation – Venture Issuers* ("Form 51-102F6V"). Information contained in this Statement of Executive Compensation is as of December 31, 2017 unless otherwise indicated and all dollar amounts referenced herein are in Canadian Dollars, unless otherwise specified.

Director and NEO Compensation

The named executive officers (NEOs) of the Company for the financial year ended December 31, 2017 were Darren Klinck, President and CEO effective August 1, 2017; John Robins, President and CEO until July 31, 2017, and current Executive Chair; Michelle Yeung, CFO until April 30, 2017; and Peter Hemstead, CFO effective May 1, 2017.

For 2017, annual compensation for Directors who are not NEOs consisted of the following elements:

Director Fees	Annual \$
Cash retainer – Member	36,000
Audit Committee Chair	10,000
Other Board Committee Chairs	5,000

Particulars of compensation, excluding compensation securities, paid to each NEO and Director in the two most recently completed financial years is set out in the table below:

TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES						
Name and position	Year ⁽¹⁾	Salary, consulting fee, retainer, or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Total compensation (\$)
John Robins ⁽²⁾ , Executive Chairman; Director	2017	414,000	243,000	Nil	2,541	659,541
	2016	30,000	Nil	Nil	Nil	30,000
Darren Klinck, CEO; Director	2017	135,417 ⁽³⁾	91,406	Nil	Nil	226,823
	2016	N/A	N/A	N/A	N/A	N/A
Peter Hemstead, CFO	2017	150,865 ⁽⁴⁾	101,250	Nil	2,537	254,653
	2016	N/A	N/A	N/A	N/A	N/A
Michelle Yeung ⁽⁵⁾ , CFO	2017	6,000	Nil	Nil	Nil	6,000
	2016	18,000	Nil	Nil	Nil	18,000
Zara Boldt ⁽⁶⁾ , Director	2017	6,000	Nil	1,667	Nil	7,667
	2016	N/A	N/A	N/A	N/A	N/A
Leo Hathaway ⁽⁷⁾ , Director	2017	24,000	Nil	3,333	Nil	27,333
	2016	N/A	N/A	N/A	N/A	N/A
William Lamb ⁽⁸⁾ , Director	2017	6,000	Nil	833	Nil	6,833
	2016	N/A	N/A	N/A	N/A	N/A
Paul McRae ⁽⁹⁾ , Director	2017	6,000	Nil	Nil	Nil	6,000
	2016	N/A	N/A	N/A	N/A	N/A
James Paterson, Director	2017	61,500	Nil	3,333	Nil	64,833
	2016	Nil	Nil	Nil	Nil	Nil
Keith Peck ⁽¹⁰⁾ , Director	2017	24,000	Nil	5,833	Nil	29,833
	2016	N/A	N/A	N/A	N/A	N/A
David Kelsch ⁽¹¹⁾ , Director	2017	Nil	Nil	Nil	Nil	Nil
	2016	Nil	Nil	Nil	Nil	Nil

- (1) Effective in 2017, the Company changed its financial year end from November 30 to December 31, resulting in a 13-month financial year for 2017.
- (2) John Robins was President and CEO with annual salary of \$360,000 until July 31, 2017 and received \$240,000 in 2017 (\$30,000 in 2016) for this position, and \$24,000 in 2017 (\$Nil in 2016) for Director fees. He received \$150,000 in 2017 for his position as Executive Chair (\$30,000 in 2016).
- (3) Darren Klinck was appointed President and CEO on August 1, 2017.
- (4) Peter Hemstead was appointed CFO on May 1, 2017.
- (5) Michelle Yeung was CFO until April 30, 2017 and was employed by FT Management Inc., an external management company.

- (6) Zara Boldt was appointed as a Director on October 25, 2017.
- (7) Leo Hathaway was appointed as a Director on February 6, 2017.
- (8) William Lamb was appointed as a Director on October 25, 2017.
- (9) Paul McRae was appointed as a Director on October 25, 2017.
- (10) Keith Peck was appointed as a Director on February 6, 2017.
- (11) David Kelsch ceased to be a Director on February 6, 2017.

The Company does not provide a pension to NEOs or Directors.

Stock Options and Other Compensation Securities

Compensation securities granted or issued to each NEO and Director in 2017 for services provided or to be provided, directly or indirectly, to the Company or any of its subsidiaries is set out in the table below:

COMPENSATION SECURITIES							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	Date of issue or grant	Exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
John Robins, Executive Chairman; Director	Stock option ⁽²⁾	1,000,000 (1.57%) 1,000,000 underlying common shares	2017-06-20	\$1.50	\$0.50	\$1.10	2020-06-20
Darren Klinck, CEO; Director	Stock option ⁽²⁾	800,000 (1.25%) 800,000 underlying common shares	2017-06-20	\$1.50	\$0.50	\$1.10	2020-06-20
	Retention incentive stock ⁽³⁾	216,667 (0.034%)	2017-06-20	\$1.50	\$0.50	\$1.10	N/A
Peter Hemstead, CFO	Stock option ⁽²⁾	400,000 (0.6%) 400,000 underlying common shares	2017-06-20	\$1.50	\$0.50	\$1.10	2020-06-20
	Retention incentive stock ⁽³⁾	150,000 (0.24%)	2017-06-20	\$1.50	\$0.50	\$1.10	N/A
Michelle Yeung ⁽⁴⁾ , CFO	Stock option ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A
Zara Boldt, Director	Stock option ⁽²⁾	200,000 (0.3%) 200,000 underlying common shares	2017-06-20	\$1.50	\$0.50	\$1.10	2020-06-20

COMPENSATION SECURITIES							
Name and Position	Type of compensation security	Number of compensation securities, number of underlying securities, and percentage of class ⁽¹⁾	Date of issue or grant	Exercise price (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Leo Hathaway, Director	Stock option ⁽²⁾	400,000 (0.6%) 400,000 underlying common shares	2017-06-20	\$1.50	\$0.50	\$1.10	2020-06-20
William Lamb, Director	Stock option ⁽²⁾	200,000 (0.3%) 200,000 underlying common shares	2017-06-20	\$1.50	\$0.50	\$1.10	2020-06-20
Paul McRae, Director	Stock option ⁽²⁾	200,000 (0.3%) 200,000 underlying common shares	2017-06-20	\$1.50	\$0.50	\$1.10	2020-06-20
James Paterson, Director	Stock option ⁽²⁾	400,000 (0.6%) 400,000 underlying common shares	2017-06-20	\$1.50	\$0.50	\$1.10	2020-06-20
Keith Peck, Director	Stock option ⁽²⁾	400,000 (0.6%) 400,000 underlying common shares	2017-06-20	\$1.50	\$0.50	\$1.10	2020-06-20
David Kelsch ⁽⁵⁾ , Director	Stock option ⁽²⁾	N/A	N/A	N/A	N/A	N/A	N/A

(1) Percentage of class is based on 63,815,560 issued and outstanding common shares as at December 31, 2017.

(2) Stock options vest 25% every six months from date of grant until they are fully vested after two years.

(3) The Company issued these common shares as “Retention Incentive Stock”. In connection with the issuance of these shares, the Company made an interest free, non-recourse loan to the employees to enable them to acquire the shares. The employees pledged the shares to the Company as security for the loan until the shares are sold to the Company or are otherwise released to the employees. If the shares sold to the Company are insufficient to repay the loan, the loan is forgiven. 25% of the shares vest on grant, with the remainder vesting 25% annually thereafter. The loan is repayable upon the termination of employment with the Company until the earlier of: 1) a change of control of the Company, 2) three years from the grant date of the loan, and 3) the commencement of commercial production at Cerro Blanco, after which time the loan may be forgiven at the request of the employees.

(4) Michelle Yeung was CFO until April 30, 2017 and was employed by FT Management Inc., an external management company.

(5) David Kelsch ceased to be a Director on February 6, 2017.

No compensation securities were exercised in 2017 by the NEOs and Directors. As a result, at the end of 2017, the Company's NEOs and Directors held the same stock options and other compensation securities as set forth in the table above.

Stock Option Plan

The Company has established a stock option plan (the "Plan") for Directors, Employees, and Consultants which reserves, for the grant of stock options under the Plan, a number of shares equivalent to 10% of the Company's issued and outstanding common shares from time to time. As a 10% rolling plan, the Plan is required to be approved annually by the Company's shareholders, in accordance with TSX Venture Exchange policy. The Plan was last approved by shareholders at the Company's annual general meeting of shareholders held October 25, 2017.

In accordance with TSX Venture Exchange policy,

- the term of stock options granted under the Plan may not exceed 10 years and the term may be set at the discretion of the Board;
- no stock options may be granted, without shareholder and regulatory approval, entitling any single individual to purchase more than 5% of the then outstanding shares in the Company in any 12-month period and no more than 2% of the outstanding shares may be issued to any one consultant, or to all employees or consultants engaged in investor relations activities in the aggregate, in any 12-month period;
- the maximum number of Options which may be granted to Insiders within any 12-month period must not exceed 10% of the then outstanding shares; and
- if the stock option rights granted under the Plan expire or terminate for any reason without having been exercised, such optioned shares may be made available for other stock options to be granted under the Plan.

Further particulars of the Plan are contained under the headings ***Approval of Amended Stock Option Plan*** and ***Equity Compensation Plan Information***.

Employment, Consulting, and Management Agreements

The material terms of the 2017 NEO employment agreements were as follows:

- Darren Klinck, President and CEO, began his employment on August 1, 2017 at a salary of \$325,000.
- Peter Hemstead, CFO, began his employment on May 1, 2017 at a salary of \$225,000.
- John Robins, President and CEO until July 31, 2017 at a salary of \$360,000. On August 1, 2017 he was appointed Executive Chairman at a salary of \$180,000.
- Michelle Yeung was CFO until April 30, 2017. The Bluestone portion of the annual salary paid to her through FT Management Inc., an external management company, was \$18,000.

The NEOs have employment agreements which include provisions covering position, term, duties, employee obligations, compensation (including base salary, bonus, stock options, and Retention Incentive Stock), other benefits, vacation benefit, and provisions covering termination for cause, without cause, and in the event of a change of control. For purposes of these arrangements, a change in control is defined as:

- the acquisition, beneficially, directly or indirectly, by any person or group of persons acting jointly or in concert, within the meaning of National Instrument 62-104, takeover bids and issuer bids, or

any successor instrument thereto, of common shares of the Company which, when added to all other common shares of the Company at the time held directly or indirectly by such person or persons acting jointly or in concert, totals for the first time more than 50% of the outstanding common shares of the Company;

- during any period of not more than six (6) consecutive months, the removal, by extraordinary resolution of the shareholders of the Company, of more than fifty-one (51%) percent of the incumbent Directors on the Company’s Board at the beginning of the period;
- the consummation of a sale of all or substantially all of the assets of the Company; or
- the consummation of a reorganization, plan of arrangement, merger or other transaction which has substantially the same effect as the three points above.

The following table summarizes the material terms and conditions that apply in the event of the noted separation events.

Compensation Element	Separation Event			
	Resignation	Termination with Cause	Termination without Cause	Change of Control
Salary	Payments cease	Payments cease	1x current salary plus 1 month salary for each completed year of employment to maximum of 18 months payment of salary	2x current salary
Annual Incentive Bonus	Pro-rated bonus payment for months earned	None	Bonus earned over preceding 12 months if not yet paid, or pro-rated bonus payment for months earned	Bonus earned over preceding 12 months if not yet paid, or pro-rated bonus payment for months earned
Stock Options	Unvested units continue to vest within 90-day exercise period	All unvested stock options are forfeited	Unvested stock options continue to vest within 90-day exercise period	Unvested stock options continue to vest within 90-day exercise period
Benefits	Coverage ceases	Coverage ceases	Continue for 12 months	Continue for 12 months

The following table presents the estimated total change of control and termination benefits of its 2017 NEOs, assuming the separation event occurred on December 31, 2017, including any amounts attributable to option benefits using the TSXV closing price of \$1.10 as at December 31, 2017.

Named Executive Officer	Separation Event			Change of Control \$
	Resignation \$	Termination with Cause \$	Termination without Cause \$	
Darren Klinck	Nil	Nil	419,139	744,139
Peter Hemstead	Nil	Nil	332,396	557,396
John Robins	Nil	Nil	490,815	610,815

Oversight and Description of Director and NEO Compensation

During 2017 the following events occurred which impacted compensation for Directors and NEOs:

- issued 55,886,032 common shares in relation to private placements for net proceeds of \$77.4 million;
- acquired the Cerro Blanco gold mining property and Mita Geothermal project for total consideration of \$31,328,954; and
- appointed new and additional executives and Directors to strengthen leadership capabilities.

The Board determines Director and NEO compensation by the recommendation of the Compensation Committee. The Compensation Committee consists of a majority of independent Directors and, with consultation from the CEO:

- reviews and assesses the overall compensation strategy of the Company based on industry standards and characteristic needs and objectives of the Company, including consultation with independent experts;
- sets compensation parameters;
- assesses the CEO's performance against pre-agreed objectives;
- reviews performance assessments of other senior officers, new executive appointments, terminations, and employment agreements;
- makes recommendations to the Board on salary changes, short-term and long-term incentive plans, or benefit plans; and
- reviews and recommends disclosure pertaining to all the foregoing.

The objective of the Company's compensation program is to attract and continue to retain NEOs that have the necessary attributes, experience, skills, and competencies that represent the best fit for the Company and to ensure that the compensation for its NEOs is appropriate and aligned with shareholder interests. The Compensation Committee reviews director and NEO compensation on an annual basis.

The Company's general philosophy is that compensation for non-executive Directors and NEOs should be a mix of cash and equity.

Base Salary

The 2017 base salaries for each NEO at December 31, 2017 were as follows:

Name and Principal Position	2017 Base Salary \$
Darren Klinck, President and Chief Executive Officer	325,000
Peter Hemstead, Chief Financial Officer	225,000
John Robins, Executive Chairman	180,000

Short-term Incentive Awards

In determining to award performance bonuses, including the amounts thereof, the Board of Directors uses its discretion and takes into consideration the Company's annual achievements, without assigning any quantifiable weight or factor in respect of any particular achievement or corporate milestone.

Short-term incentive awards were granted to NEOs in 2017 based on the Compensation Committee's assessment of the Company's performance for the year and are disclosed in the "Table of Compensation Excluding Compensation Securities", above. Factors considered in determining bonus amounts included individual performance in attaining significant milestones for the Company: a successful financing, and acquisition of the Cerro Blanco and Mita Geothermal properties.

Long-term Incentive Awards

Long-term incentives for NEOs and Directors take the form of stock options which are granted under the direction of the Compensation Committee in accordance with the Company's shareholder approved stock option plan. The value of stock options granted to NEOs is determined on both qualitative and quantitative levels. Changes in executive positions or roles and ongoing contribution to the Company are factors which affect the decision-making process. Outstanding stock options and previous grants are reviewed by the Compensation Committee on an annual basis and again when considering stock option grants for new employees. The terms of the Plan are also reviewed from time to time by the Compensation Committee and changes suggested are discussed with NEOs prior to approval by the Board, then regulatory and shareholder approval as necessary (see "Stock Option Plan" above).

While the Board considers amounts paid by other companies in similar industries at similar stages of development in determining compensation, no specifically-selected peer group was identified in 2017; however, the Company adopted a performance peer group in May of 2018 for compensation comparison for the 2018 fiscal year.

Securities Authorized for Issuance Under Equity Compensation Plans

Equity Compensation Plan Information

The following table sets forth details of outstanding stock options under the Company's Plan as at the end of the Company's most recently completed financial year ended December 31, 2017 and at the date of this Circular, November 2, 2018.

Stock Option Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Stock Options	Weighted Average Exercise Price of Outstanding Stock Options \$	Number of Securities Remaining Available for Future Issuance Under Incentive Stock Option Plan ⁽¹⁾
Plan, at December 31, 2017	4,935,000	1.50	1,446,556
Plan, at the date of this Information Circular	5,930,000	1.50	454,056

(1) This number is 10% of the issued and outstanding shares of the Company, less the number of outstanding stock options.

The Plan provides that the maximum number of common shares available to be issued on exercise of stock options granted under the Plan will not exceed 10% of the number of issued and outstanding common shares of the Company on any date on which stock options are granted (the "Option Limit"). As at November 2, 2018, there are 6,384,056 common shares of the 63,840,560 outstanding common shares which may be granted on the exercise of stock options. Of those 6,384,056 common shares, the Company has already granted stock options which on exercise will result in the issue of **5,930,000** common shares, representing approximately **93%** of the available Option Limit. As such, as at November 2, 2018, the Company can grant stock options that, on exercise, will result in **454,056** common shares being issued. Stock options that expire without being exercised are automatically available for the purpose of granting stock options under the Plan.

At December 31, 2017, stock options totaling 4,935,000 common shares on exercise of the options had been granted under the Plan, representing approximately 7.7% of the issued and outstanding common shares of the Company and representing approximately 77% of the available Option Limit. Of the total 77% of options granted, 4,275,000 total options have been granted to Directors and insiders of the Company, representing approximately 6.7% of the total outstanding shares as at December 31, 2017.

The Board may grant stock options under the Plan to any Director, officer, employee, any company wholly-owned by a Director, officer, employee, or a consultant of the Company or a subsidiary of the Company, in amounts it considers appropriate up to the Option Limit. In no event shall stock options be granted, without regulatory approval, entitling any single person to purchase in excess of 5% of the then outstanding common shares in any 12-month period and no more than 2% of the then outstanding common shares may be issued to any one consultant or to all persons performing investor relations activities (as such term is defined under the policies of the TSX Venture Exchange) in the aggregate in any 12-month period. The maximum number of stock options which may be granted to insiders of the Company within any 12-month period must not exceed 10% of the then outstanding common shares in aggregate.

Stock options shall not be granted under the Plan and shares shall not be made issuable under any other share compensation arrangement which could, in the aggregate, result in i) the number of shares issuable to eligible persons who are, at the time of the particular grant, insiders, exceeding the lesser 10% of the issued and outstanding shares; or (ii) the issuance to insiders, within any one-year period, of a number of shares exceeding 10% of the issued and outstanding shares.

The stock option exercise price is determined by the Board and must be not less than the closing market price on the day before the grant of the stock option is approved by the Board. The maximum term of any stock option is ten years per TSX Venture Exchange policy, to otherwise be set at the discretion of the Board.

Stock options terminate at the earliest of: (i) the expiry date, (ii) one year succeeding death of the stock option holder, (iii) 90 days following termination of the office of a Director, unless termination or cessation is because the Director ceases to be qualified as a director or a regulatory body so orders, in which case expiry is immediate, (iv) 30 days following termination of employment, unless termination is for cause, in which case expiry is immediate, or (v) immediately if an employee resigns. If the stock option expiry date falls during a blackout period imposed by the Company, the expiry date shall be automatically extended to a date that is ten business days after the last date of the blackout period in question. An option is personal to the stock option holder and is non-assignable or transferrable, subject to the terms of the Plan regarding death of a stock option holder.

The Board may amend the Plan as follows, subject to regulatory approval without shareholder approval: (i) vesting provisions; (ii) termination provisions provided there is no extension beyond the original expiry date; (iii) other amendments of a “housekeeping” nature; and (iv) to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature, and intent of such provisions.

The Board must receive shareholder approval before amending the following terms of the Plan: (i) persons eligible to be granted options under the Plan; (ii) the maximum number of common shares reserved for issuance upon exercise of options available under this Plan; (iii) the limitations on grants of options to: (A) any one person, (B) insiders, (C) consultants, or (D) persons involved in investor relations activities; (iv) the method for determining the option price payable on exercise of options; (v) the maximum period for options can be exercised; (vi) the expiry and termination provisions applicable to options; and (vii) any amendment to the amendment provisions. Disinterested shareholders of the Company must approve any amendment to options held by an insider at the time of the amendment that would have the effect of decreasing the option price payable on exercise of such options.

The Plan, which is presented in this Information Circular in Schedule “C” for shareholder approval, contains the addition of a change of control provision, amendments to the termination provisions, and other non-material amendments of a “housekeeping” nature, and was approved by the Board on October 31, 2018.

Indebtedness of Directors and Executive Officers

Set out below is the aggregate outstanding indebtedness of the Company's directors and executive officers as at November 2, 2018 entered into in connection with a purchase of shares in the Company and all other indebtedness.

AGGREGATE INDEBTEDNESS (\$)		
Purpose	To the Company or its Subsidiaries	To Another Entity
Share Purchases	\$750,000	Nil
Other	Nil	Nil

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS UNDER (1) SECURITIES PURCHASE AND (2) OTHER PROGRAMS						
Name and Principal Position	Involvement of Company or Subsidiary	Largest Amount Outstanding During 2017 (\$)	Amount Outstanding as at Nov 2, 2018 (\$)	Financially Assisted Securities Purchased during 2017	Security for Indebtedness	Amount Forgiven During Most Recently Completed Financial Year (\$)
Securities Purchase Programs						
Darren Klinck President, CEO and Director	Lender	325,000	176,042	216,667 common shares	216,667 common shares	Nil
Peter Hemstead CFO	Lender	225,000	121,875	150,000 common shares	150,000 common shares	Nil
David Gunning VP of Operations	Lender	200,000	108,333	133,333 common shares	133,333 common shares	Nil
Other Programs						
N/A						

Details of the arrangement under which the above indebtedness arose are discussed further below under the heading *Interest of Informed Persons in Material Transactions*.

Audit Committee

Overview

The Company's Audit Committee is responsible for monitoring the Company's systems and procedures for financial reporting and internal control, reviewing certain public disclosure documents, and monitoring the performance and independence of the Company's external auditors. The Audit Committee is also responsible for reviewing the Company's annual audited financial statements, unaudited quarterly financial statements, and management's discussion and analysis of financial results or operations for both annual and interim financial statements prior to their approval by the Board.

Audit Committee Charter

The Board has adopted a Mandate for the Audit Committee which sets out the Audit Committee's mandate, organization, powers, and responsibilities. The complete Audit Committee Mandate is attached to this Circular as Schedule "B".

Composition of the Audit Committee

The Audit Committee consists of three Directors as determined by the Board who are "independent" and "financially literate" as defined in NI 52-110.

Relevant Education and Experience

Zara Boldt, Director, Chair of Audit Committee

Ms. Zara Boldt is a professional accountant (CPA, CGA) who has served as the senior financial executive for several publicly-traded companies in Canada over the course of her career. Currently, Ms. Boldt is the CFO & Corporate Secretary for Lucara Diamond Corp. Before Lucara, she served as the CFO & Corporate Secretary for Kaminak Gold Corporation where she was responsible for corporate due diligence and the negotiation, documentation, and execution of a plan of arrangement for an acquisition transaction valued at \$520 million. Prior to Kaminak, Ms. Boldt served as the Vice-President, Finance and CFO for Stornoway Diamond Corporation where she was a member of the senior management team responsible for arranging financing in excess of \$900 million for the development of the Renard Diamond Mine in Quebec. In addition, Ms. Boldt served as the CFO and Corporate Secretary for Strongbow Exploration Inc. for a number of years. Ms. Boldt has a Bachelor of Arts degree (History) from the University of Puget Sound (1994) and she earned a professional accounting designation in 2002.

Jim Paterson, Director

Mr. Paterson is the Chairman and CEO of ValOre Metals Corp. Mr. Paterson has 21 years of corporate experience with several North American publicly-traded companies, participating in acquisitions, joint-ventures, spin-outs, reverse transactions, and IPOs. Since January 2010, Mr. Paterson has been involved as an executive or as an active director of companies which have raised in excess of \$230 million in equity financings, and he founded, was President and CEO, and a director of Corsa Capital Ltd., a company which acquired and capitalized coal mining assets in the USA. Mr. Paterson served as a director of Northern Empire Resources Corp. prior to the company's acquisition by Coeur Mining in 2018 and as a director of Kaminak Gold Corp. until the company's acquisition by Goldcorp in 2016. Mr. Paterson's background has given him the required experience to understand and assess the general application of the accounting principles used by the Company and to understand internal controls and procedures for financial reporting. Mr. Paterson obtained a Bachelor of Commerce degree from Royal Roads University in 2004.

Keith Peck, Director

Mr. Peck is Chairman and CEO of Lincoln Peck Financial Inc., a financial advisory firm focused on the resource sector, and until recently was Chairman of Orezone Gold Corporation. He has over 30 years of

investment banking experience and a broad business background that includes financings in public and private markets, mergers and acquisitions, corporate restructurings, business valuations, and expert financial testimony, and was a founder of Centenario Copper Corporation, a Chilean copper company which was acquired by Quadra Mining Ltd. in 2009. Mr. Peck has a BA in Economics from Princeton University and a Chartered Business Valuator (CBV) (1994-2017). Mr. Peck's background has given him the required experience to understand and assess the general application of the accounting principles used by the Company and to understand internal controls and procedures for financial reporting. At the Meeting, Mr. Peck will not be standing for re-election to the Board.

As a result of their respective business experience, each member of the audit committee: (i) has an understanding of the accounting principles used by the Company to prepare its financial statements; (ii) has the ability to assess the general application of such accounting principles in connection with the accounting for estimates, accruals, and reserves; (iii) has experience in analyzing and evaluating financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to that that can reasonably be expected to be raised by the Company's financial statements; and (iv) has an understanding of internal controls and procedures for financial reporting.

Audit Committee Oversight

At no time since the commencement of the Company's most recently completed financial year was a recommendation of the Audit Committee to nominate or compensate an external auditor not adopted by the Board.

Pre-approval Policies and Procedures

No specific policies or procedures have been adopted with respect to the provision of non-audit services by the Company's external auditor although, under the Company's Audit Committee Mandate, such services are required to be approved by the Audit Committee.

External Auditor Service Fees (by Category)

Davidson & Company LLP conducts the annual audit of Bluestone's financial statements and provides audit-related, tax and other services and reports to the Audit Committee of the Board. The table below outlines the fees paid to Davidson & Company LLP during the last two years.

	Year ended Dec 31, 2017	Year ended Nov 30, 2016
Audit fees ⁽¹⁾	\$ 62,500	\$ 16,830
Audit-related fees ⁽²⁾	2,498	--
Tax fees ⁽³⁾	--	6,500
All other fees ⁽⁴⁾	183,200	--
Total	\$ 248,198	\$ 23,330

- (1) Audit fees include fees related to the audit of the year-end financial statements, audit of the internal control over financial reporting, review of the interim financial statements, and services that are normally provided by the Auditors in connection with statutory and regulatory filings or engagements for such year.
- (2) Audit-related fees consist of fees for assurance and related services by the Auditors that are reasonably related to the performance of the audit or review of the financial statements and are not reported above as Audit Fees.
- (3) Tax fees for 2017 and 2016 are for tax compliance, tax advice, and tax planning services.
- (4) Other fees for assurance services related to acquisition due diligence.

Reliance on Certain Exemptions

The Company is relying on the exemption in Section 6.1 of NI 52-110 which exempts venture issuers, as defined in NI 52-110, from certain reporting obligations under NI 52-110 for its most recently completed financial year ended December 31, 2017.

Interest of Informed Persons in Material Transactions

Other than as set forth below, no informed person of the Company, no proposed nominee for election as a Director of the Company, and no associate or affiliate of any such informed person or proposed nominee has had any material interest, direct or indirect, in any transaction since the commencement of the Company's most recently completed financial year or in any proposed transaction that, in either case, has materially affected or would materially affect the Company or any of its subsidiaries.

Non-brokered private placement with key management

On June 20, 2017, the Company completed a non-brokered private placement of 500,000 common shares (the "Loan Shares") at \$1.50 per Loan Share for gross proceeds of \$750,000 with Darren Klinck, who was appointed the President and CEO of the Company effective August 1, 2017; Peter Hemstead, the CFO of the Company; and David Gunning, the Vice President of Operations of the Company (collectively, "Key Management"). In connection with the private placement and the Company management compensation plan, the Company entered into separate loan arrangements with each member of Key Management whereby the Company loaned Key Management an aggregate of \$750,000 without interest (the "Loan") to acquire the Loan Shares pursuant to the private placement, and Key Management pledged the Loan Shares to the Company as security for the Loan until the Loan Shares are sold by Key Management to the Company or are otherwise released to Key Management in accordance with the terms of the Company's management compensation plan. The Loan is repayable upon the termination of Key Management's employment with the Company or the earlier of: (i) a change of control of the Company; (ii) three years from the grant date of the Loan; and (iii) the commencement of commercial production at the Company's 100% owned Cerro Blanco gold-silver project (a proposed underground gold mining operation located in Jutiapa, Guatemala) after which time the Loan may be forgiven at the request of Key Management.

Particulars of Matters to be Acted Upon

No person who has been a director or an executive office of the Company at any time since the beginning of the Company's last financial year, no proposed nominee of management of the Company for election as a director of the Company, and no associate or affiliate of the foregoing persons, has any material interest, direct or indirect, by way of beneficial ownership or otherwise, in the matters to be acted upon at the Meeting other than the election of directors or the approval of the Stock Option Plan.

It is not known whether any other matters will come before the Meeting other than those set forth above and in the Notice of Meeting, but if any other matters do arise, the persons named in the proxy intend to vote on any poll, in accordance with their best judgment, exercising discretionary authority with respect to amendments or variations of matters set out in the Notice of Meeting and other matters which may properly come before the Meeting or any adjournment.

Additional Information

Additional information relating to the Company is on SEDAR at www.sedar.com or on the Company's website at <http://www.bluestonerresources.ca/>. Shareholders may contact the Company to request copies of financial statements and MD&A as follows:

By phone: 604-646-4534

By fax: 604-646-4526

By email: info@bluestonerresources.ca

Financial information at December 31, 2017 is provided in the Company's audited annual consolidated financial statements and MD&A, filed on SEDAR.

DATED November 2, 2018

"Darren Klinck"

**Darren Klinck
President and Chief Executive Officer**

Schedule "A" – Board Charter

BLUESTONE RESOURCES INC.

BOARD CHARTER

1. PURPOSE

The board of directors of the Company (the "Board") has the responsibility for the stewardship of the Company and to oversee the conduct of the business of the Company. The Board's fundamental objectives are to enhance and preserve long-term shareholder value, ensuring that the Company meets its obligations on an ongoing basis and that the Company operates in a reliable and safe manner. In performing its functions, the Board should also consider the legitimate interests of its other stakeholders, such as employees and the communities and the environment in which it operates. In overseeing the conduct of the business, the Board, through the chief executive officer of the Company (the "CEO"), shall set the standards of conduct for the organization.

2. COMPOSITION

- 2.1** Directors are elected annually at the Company's annual meeting of shareholders and must meet the requirements of applicable corporate laws and securities laws, rules, regulations, and guidelines of all applicable securities regulatory authorities and stock exchanges on which the Company's securities are listed, including the TSX Venture Exchange (collectively, "**Applicable Laws**").
- 2.2** The Company should strive to have a majority of directors who are "independent" as defined by National Instrument 58-101 – *Disclosure of Corporate Governance Practices* ("NI 58-101") additionally, the Company should strive to have a chair of the board (the "Chair") who is an independent director as defined by NI 58-101. Where the Chair is not independent, the Board may consider designating an independent director to act as "Lead Director".
- 2.3** The corporate secretary of the Company (the "Secretary") will be secretary of all meetings and will maintain minutes of all meetings and deliberations of the Board. In the absence of the Secretary at any meeting, the Board will appoint another person who may, but need not, be a member of the Board (the "Member").

3. MEETINGS

- 3.1** Meetings will be scheduled, on at least a quarterly basis, to facilitate the Board carrying out its responsibilities. Additional meetings will be held as deemed necessary.
- 3.2** At least twenty-four (24) hours notice of each meeting will be given to Members orally, by telephone, by facsimile, or email, unless all Members are present and waive notice, or if those absent waive notice before or after a meeting. Members may attend all meetings either in person or by conference or video call.
- 3.3** The quorum for meetings of the Board shall be a majority of Directors.
- 3.4** Each Member is expected to attend all meetings of the Board, unless adequate notification of absence is provided, and is expected to have reviewed all materials provided in connection with a meeting in advance of such meeting and be prepared to discuss such materials at the meeting. Management is expected to provide the necessary documents to the Board within a reasonable time in advance of the meeting to allow for Board review.
- 3.5** The non-executive Directors shall meet, without members of management, at each Board meeting.

4. DUTIES AND RESPONSIBILITIES

The Board discharges its responsibility for overseeing the management of the Company's business by delegating to the Company's senior officers the responsibility for day-to-day management of the Company. The Board also discharges its responsibilities, both directly and indirectly, through its Board committees ("Committees"). In addition to its Committees, the Board may appoint ad hoc committees periodically to address certain issues of a more short-term nature. In addition to the Board's primary roles of overseeing corporate performance and providing quality, depth and continuity of management to meet the Company's strategic objectives, principal duties include the following:

4.1 Legal Requirements

- (a) The Board has the statutory duty to manage or supervise the management of the business and affairs of the Company.
- (b) A director of the Company, when exercising the powers and performing the functions of a director, has the statutory duty to:
 - (i) act honestly and in good faith with a view to the best interests of the Company;
 - (ii) exercise the care, diligence and skill that a reasonably prudent individual would exercise in comparable circumstances; and
 - (iii) act in accordance with the *Business Corporations Act* (British Columbia) and the regulations thereto, as well as the Company's constating documents.

4.2 Overseeing Management

- (a) The Board has the responsibility for approving the appointment of the CEO and all other senior management and approving their compensation, following a review of the recommendations of the Compensation Committee. To the extent feasible, the Board shall satisfy itself as to the integrity of the CEO and other executive officers and that the CEO and other executive officers create a culture of integrity throughout the Company.
- (b) The Board, from time to time, delegates to senior management the authority to enter into certain types of transactions, including financial transactions, subject to specified limits. Investments and other expenditures above the specified limits and material transactions outside the ordinary course of business are reviewed by and subject to the prior approval of the Board.
- (c) The Board ensures that succession planning programs are in place, including programs to appoint, train, develop and monitor senior management.

4.3 Board Organization

- (a) The Board will respond to recommendations received from the Corporate Governance Committee and the Compensation Committee but retains the responsibility for managing its own affairs by giving its approval for its composition and size, the selection of the Chair and any Co-Chair(s) or lead director of the Board, candidates nominated for election to the Board, Committee and Committee chair appointments, Committee charters and director compensation.
- (b) The Board may delegate to its Committees matters it is responsible for, including the approval of compensation of the Board and management, the conduct of performance evaluations and oversight of internal controls systems, and health, safety and environmental policies, but the board retains its oversight function and ultimate responsibility for these matters and all other delegated responsibilities.

4.4 Strategic Planning and Risk Management

- (a) The Board has the responsibility to ensure that the Company has long-term goals and a strategic planning process in place and to work with management, directly or through its Committees, in developing and approving the defined processes by which the Company proposes to achieve its goals, taking into account, among other things, the changing opportunities and risks of the Company's business.
- (b) The Board has responsibility for the identification of the principal risks of the Company's business and ensuring the implementation of appropriate systems to effectively monitor and manage such risks with a view to the long-term viability of the Company.

4.5 Monitoring of Financial Performance and Other Financial Reporting Matters

- (a) The Board is responsible for approving the audited financial statements, interim financial statements and the notes and management's discussion and analysis accompanying such financial statements.
- (b) The Board is responsible for reviewing and approving the Company's annual budget, if any, presented by management.
- (c) The Board is responsible for reviewing and approving material transactions outside the ordinary course of business and those matters which the Board is required to approve under the Company's governing statute, including the payment of dividends, issuance, purchase and redemptions of securities, acquisitions and dispositions of material capital assets and material capital expenditures.
- (d) The Board is responsible, directly and through the Audit Committee, for assessing the integrity of internal control over financial reporting and management information systems.

4.6 Policies, Procedures and Compliance

- (a) The Board is responsible for:
 - (i) developing the Company's approach to corporate governance, including approving and monitoring compliance with all significant policies and procedures related to corporate governance; and
 - (ii) approving policies and procedures designed to ensure that the Company operates at all times within Applicable Laws.
- (b) The Board shall ensure the Company sets high environmental standards in its operations and is in compliance with environmental laws and legislation.
- (c) The Board, in consultation with the Health, Safety and Sustainability Committee, shall ensure the Company has in place appropriate programs and policies for the health, safety and security of its employees and the workplace.

4.7 Communications and Reporting

- (a) The Board is responsible for adopting a disclosure policy for the Company and for ensuring that the Company has in place effective communication processes with shareholders and other stakeholders and with financial, regulatory and other institutions.
- (b) The Board shall approve the content of the Company's major communications to shareholders and the investing public, including the interim and annual financial statements and management's discussion and analysis, the management information circular, and any annual information form or any prospectuses which may be filed by the Company.

- (c) The Board is responsible for overseeing the Company's financial reporting and disclosure obligations in accordance with Applicable Laws, including:
- (i) overseeing the accurate reporting of the financial performance of the Company to shareholders, other security holders and regulators on a timely and regular basis and in accordance with Applicable Laws;
 - (ii) overseeing that the financial results are reported fairly and in accordance with generally accepted accounting standards and Applicable Laws; and
 - (iii) taking steps to enhance the timely disclosure of any other developments that have a significant and material impact on the Company.

4.8 Orientation and Continuing Education

- (a) The Board is responsible for:
- (i) ensuring that all directors receive a comprehensive orientation program so that all new directors understand the nature and operations of the Company's business and the role of the Board and its Committees, as well as the contribution individual directors are expected to make (including, in particular, the commitment of time and resources that the Company expects from its directors); and
 - (ii) providing continuing education opportunities for all directors so that individual directors may maintain or enhance their skills and abilities as directors, as well as to ensure their knowledge and understanding of the Company's business remains current.

4.9 Nomination of Directors

- (a) In connection with the nomination or appointment of individuals as directors, the Board is responsible for:
- (i) considering what competencies and skills the Board, as a whole, should possess;
 - (ii) assessing what competencies and skills each existing director possesses; and
 - (iii) considering the appropriate size of the Board, with a view to facilitating effective decision making.
- (b) In carrying out each of these responsibilities, the Board will consider the advice and input of the Corporate Governance Committee.

5. BOARD EVALUATION

5.1 The Company should endeavor to conduct assessments of the Board, its Committees and each individual director annually regarding its or his or her effectiveness and contribution. All assessments should include:

- (a) in the case of the Board or a Committee of the Board, its performance in light of the Board's or the Committee's mandate or charter; and
- (b) in the case of an individual director, the competencies and skills each individual director is expected to bring to the Board.

6. BOARD CHAIR

6.1 Appointment of the Chair

The Chair shall be appointed annually by the Board and shall have such skills and abilities appropriate to the appointment of the Chair as shall be determined by the Board. Where a vacancy occurs at any time in

the position of the Chair, it shall be filled by the Board. The Board may remove and replace the Chair at any time.

6.2 Duties

The Chair, with the assistance of the Lead Director (if one is appointed from time to time), is accountable to the Board and shall have the duties of a Member as set out in Applicable Laws and in the Company's constating documents. The Chair, with the assistance of the Lead Director (if one is appointed from time to time), is responsible for the management, development and effective performance of the Board and leads the Board to ensure that it fulfills its duties as required by Applicable Laws. In particular, the Chair (or Lead Director) shall:

- (a) organize the Board to function independently of management;
- (b) promote ethical and responsible decision making, appropriate oversight of management and best practices in corporate governance;
- (c) ensure the Board has the opportunity to meet without members of management present on an as-needed basis;
- (d) determine, in consultation with the Board and management, the time and places of the meetings of the Board and of the annual meeting of shareholders;
- (e) manage the affairs of the Board, including ensuring that the Board is organized properly, functions effectively and meets its obligations and responsibilities;
- (f) co-ordinate with management to ensure that matters to be considered by the Board are properly presented and given the appropriate opportunity for discussion;
- (g) provide advice, counsel and mentorship to other Members, the CEO and other senior officers;
- (h) preside as chair of each meeting of the Board;
- (i) preside as chair of each meeting of the shareholders of the Company;
- (j) communicate with all Members to co-ordinate their input, ensure their accountability and provide for the effectiveness of the Board and its Committees as well as to keep Members up to date on all major developments concerning the Company; and
- (k) ensure the Company, and where appropriate the Board, is adequately represented at official functions and meetings with major shareholder groups, other stakeholders, financial analysts, media and the investment community.

In addition, the Lead Director, if one is appointed from time to time, will be responsible for the following:

- (a) reviewing items of importance for consideration by the independent directors and setting the agenda for in camera sessions of the independent directors;
- (b) presiding over meetings of the directors at which the Chair is not present and in camera sessions of the independent directors, and apprising the Chair of the issues considered;
- (c) encouraging free and open discussion at in camera sessions of the independent directors;
- (d) serving as liaison between the independent directors and the Chair;
- (e) being available for consultation and direct communication with the Company's shareholders as appropriate;
- (f) together with the Chair of the Board and the Chair of the Corporate Governance and Nominating Committee, providing feedback to directors regarding their performance; and
- (g) performing such other duties as the Board may delegate to the Lead Director from time to time.

COMMITTEE CHAIRS

6.3 Appointment

The chair of each Committee shall be appointed annually by the Board. Where a vacancy occurs at any time in the position of a Committee chair, it shall be filled by the Board. The Board may remove and replace a Committee chair at any time.

6.4 Duties

- (a) The chair of a Committee shall lead and oversee the Committee to ensure it fulfills its mandate. In particular, the Committee chair shall:
 - (b) organize the Committee to function independently of management;
 - (c) ensure that the Committee has an opportunity to meet on an as-needed basis without members of management present;
 - (d) determine, in consultation with the Committee and management, the time and places of the meetings of the Committee;
 - (e) manage the affairs of the Committee, including ensuring that the Committee is organized properly, functions effectively and meets its obligations and responsibilities;
 - (f) co-ordinate with management to ensure that matters to be considered by the Committee are properly presented and given the appropriate opportunity for discussion;
 - (g) provide advice and counsel to the CEO and other senior officers in the areas covered by the Committee's mandate;
 - (h) preside as chair of each meeting of the Committee; and
 - (i) communicate with all members of the Committee to co-ordinate their input, ensure their accountability and provide for the effectiveness of the Committee.

Original approval date: March 8, 2018

Approved by: Board of Directors

Schedule “B” – Audit Committee Mandate

BLUESTONE RESOURCES INC.**AUDIT COMMITTEE MANDATE****1. PURPOSE**

- 1.1** The primary function of the Audit Committee (the “Committee”) is to assist the Board of Directors in fulfilling its financial oversight responsibilities by reviewing the financial reports and other financial information provided by the Company to regulatory authorities and shareholders, the Company’s systems of internal controls regarding finance and accounting, and the Company’s auditing, accounting and financial reporting processes. Consistent with this function, the Committee will encourage continuous improvement of, and should foster adherence to, the Company’s policies, procedures and practices at all levels. The Committee’s primary duties and responsibilities are to:
- Serve as an independent and objective party to monitor the Company’s financial reporting and internal control system and review the Company’s financial statements.
 - Review and appraise the performance of the Company’s external auditors.
 - Provide an open avenue of communication among the Company’s auditors, financial and senior management and the Board of Directors.

2. COMPOSITION AND MEMBERSHIP

- 2.1** The Committee shall be comprised of at least three directors as determined by the Board of Directors, a majority of whom shall be “independent” directors, as defined by National Instrument 52-110 and shall be free from any relationship that, in the opinion of the Board of Directors, would interfere with the exercise of his or her independent judgment as a member of the Committee.
- 2.2** At least one member of the Committee shall have accounting or related financial management expertise. All members of the Committee that are not financially literate will work towards becoming financially literate to obtain a working familiarity with basic finance and accounting practices. For the purposes of the Company’s Charter, the definition of “financially literate” is the ability to read and understand a set of financial statements that present a breadth and level of complexity of accounting issues that are generally comparable to the breadth and complexity of the issues that can presumably be expected to be raised by the Company’s financial statements.
- 2.3** The members of the Committee shall be elected by the Board of Directors at its first meeting following the annual shareholders’ meeting. Unless a Chair is elected by the Board of Directors, the members of the Committee may designate a Chair by a majority vote of the full Committee membership.

3. MEETINGS

- 3.1** The Committee shall meet at least quarterly, or more frequently as circumstances dictate. As part of its job to foster open communication, the Committee will meet at least annually with the Chief Financial Officer and the external auditors in separate sessions.

4. DUTIES AND RESPONSIBILITIES

4.1 To fulfill its responsibilities and duties, the Committee shall:

Documents/Reports Review

- Review and update, if applicable or necessary, this Charter annually.
- Review with management and the independent auditors the Company's annual and interim financial statements, MD&A, and any annual and interim earnings press releases, including any certification, report, opinion, or review rendered by the external auditor for the purpose of recommending their approval to the Board prior to the Company publicly disclosing this information and any reports or other financial information (including quarterly financial statements), which are submitted to any governmental body, or to the public.
- Review analyses prepared by management and/or the external auditor setting forth significant financial reporting issues, judgements and estimates made in connection with the preparation of the financial statements, including analyses of the effects of alternative IFRS methods on the financial statements.
- Review the effect of regulatory and accounting initiatives, as well as off balance sheet structures, on the financial statements of the Company.
- Ensure that adequate procedures are in place for the review of the Company's public disclosure of financial information extracted or derived from the Company's financial statements, as well as review any financial information and earnings guidance provided to analysts and rating agencies, and periodically assess the adequacy of those procedures.

External Auditors

- Review annually the performance of the external auditors who shall be ultimately accountable to the Board of Directors and the Committee as representatives of the shareholders of the Company.
- Obtain annually, a formal written statement from the external auditors setting forth all relationships between the external auditors and the Company.
- Review and discuss with the external auditors any disclosed relationships or services that may impact the objectivity and independence of the external auditors.
- Take, or recommend that the full Board of Directors take, appropriate action to oversee the independence of the external auditors, including the resolution of disagreements between management and the external auditor regarding financial reporting
- Recommend to the Board of Directors the selection and, where applicable, the replacement of the external auditors nominated annually for shareholder approval.
- At each meeting, consult with the external auditors, without the presence of management, about the quality of the Company's accounting principles, internal controls and the completeness and accuracy of the Company's financial statements.
- Review and approve the Company's hiring policies regarding partners, employees and former partners and employees of the present and former external auditors of the Company.
- Review with management and the external auditors the audit plan for the year-end financial statements and intended template for such statements.
- Review and pre-approve all audit and audit-related services and the fees and other compensation related thereto, and any non-audit services, provided by the Company's external auditors. The pre-approval requirement is waived with respect to the provision of non-audit services if:

- (i) the aggregate amount of all such non-audit services provided to the Company constitutes not more than five percent of the total amount of revenues paid by the Company to its external auditors during the fiscal year in which the non-audit services are provided;
 - (ii) such services were not recognized by the Company at the time of the engagement to be non-audit services; and
 - (iii) such services are promptly brought to the attention of the Committee by the Company and approved prior to the completion of the audit by the Committee or by one or more members of the Committee who are members of the Board of Directors to whom authority to grant such approvals has been delegated by the Committee.
- Provided the pre-approval of the non-audit services is presented to the Committee's first scheduled meeting following such approval such authority may be delegated by the Committee to one or more independent members of the Committee.

Financial Reporting Processes

- In consultation with the external auditors, review with management the integrity of the Company's financial reporting process, both internal and external.
- Consider the external auditors' judgments about the quality and appropriateness of the Company's accounting principles as applied in its financial reporting.
- Consider and approve, if appropriate, changes to the Company's auditing and accounting principles and practices as suggested by the external auditors and management.
- Review significant judgments made by management in the preparation of the financial statements and the view of the external auditors as to appropriateness of such judgments.
- Following completion of the annual audit, review separately with management and the external auditors any significant difficulties encountered during the course of the audit, including any restrictions on the scope of work or access to required information.
- Review any significant disagreement among management and the external auditors in connection with the preparation of the financial statements.
- Review with the external auditors and management the extent to which changes and improvements in financial or accounting practices have been implemented.
- Review any complaints or concerns about any questionable accounting, internal accounting controls or auditing matters.
- Review certification process.
- Establish procedures for:
 - (i) receipt, retention and treatment of complaints reviewed by the Company regarding accounting, internal accounting controls or auditing matters, and
 - (ii) the confidential anonymous submission by employees of Company concerns regarding potential fraud or questionable accounting or auditing matters, as may be set out in the Company's Whistleblower Policy;
- Review any material related-party transactions.
- Engage independent counsel and other advisors as it determines necessary to carry out its duties.
- To set and pay compensation for any independent counsel and other advisors engaged by the Committee.

5. REVIEW OF MANDATE

5.1 The Committee will annually review and assess the adequacy of this Mandate and recommend any proposed changes to the Board for consideration.

6. RESPONSIBILITIES OF THE COMMITTEE CHAIR

6.1 The Committee Chair is responsible for the management and effective performance of the Committee and provides leadership to the Committee in fulfilling its mandate and any other matters delegated to it by the Board. The Committee Chair's responsibilities include:

- working with the CEO and the Corporate Secretary to establish the frequency of Committee meetings and the agendas for meetings;
- presiding over Committee meetings;
- facilitating the flow of information to and from the Committee and fostering an environment in which Committee members may ask questions and express their viewpoints;
- reporting to the Board with respect to the significant activities of the Committee and any recommendations of the Committee; and
- taking such other steps as are reasonably required to ensure that the Committee carries out its mandate.

Original approval date: March 8, 2018

Approved by: Board of Directors

Schedule “C” – Amended Stock Option Plan

BLUESTONE RESOURCES INC.

STOCK OPTION PLAN

1. PURPOSE

The principal purpose of this Plan is to advance the interests of the Company by (i) attracting, retaining and motivating persons of outstanding competence whose efforts will dictate, to a large extent, the future growth and success of the Company, (ii) providing Eligible Persons with additional incentive to develop and promote the growth and success of the Company, (iii) encouraging stock ownership by such Eligible Persons, and (iv) increasing the proprietary interest of Eligible Persons in the success of the Company.

2. DEFINITIONS

All capitalized words used but not defined herein shall have the meanings ascribed thereto in the Exchange Manual, and the following terms and expressions shall have the following meanings:

- 2.1** “**Administrator**” means such director, officer, or Employee of the Company as may be designated as Administrator by the Committee from time to time, if any.
- 2.2** “**Affiliate**” means an affiliate of the Company within the meaning of Section 1.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended or replaced from time to time.
- 2.3** “**Blackout Period**” means a restriction imposed by the Company in accordance with the Company’s securities trading policy on all or any of its directors, officers, Employees, Insiders, or persons in a special relationship, whereby they are to refrain from trading in the Company’s securities until the restriction has been lifted by the Company.
- 2.4** “**Board**” means the board of directors of the Company.
- 2.5** “**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in Vancouver, British Columbia.
- 2.6** “**Change of Control**” means:
- (a)** the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert, or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired), directly or indirectly, of beneficial ownership of such number of Shares or rights to Shares, which together with such person’s then-owned Shares and rights to Shares, if any, represent (assuming the full exercise of such rights) more than 50% of the combined voting rights attached to the then-outstanding Shares;
 - (b)** a consolidation, reorganization, amalgamation, merger or any other business combination (including, without limitation, any such transaction or business combination effected by way of a plan of arrangement) (other than in a transaction solely involving the Company and any one or more Affiliates of the Company) with respect to which all or substantially all of the persons who were the beneficial owners of the Shares and other securities of the Company immediately prior to such reorganization, amalgamation, merger, business combination or plan of arrangement do not, following the completion of such consolidation, reorganization, amalgamation, merger, acquisition, business

combination or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting rights (on a fully-diluted basis) of the Company or its successor;

- (c) a resolution is adopted to wind-up, dissolve or liquidate the Company;
- (d) the sale, exchange or other disposition to a person other than an Affiliate of the Company of all or substantially all of the Company's assets; or
- (e) a change in the composition of the Board, which occurs at a single meeting of the shareholders of the Company or upon the execution of a shareholders' resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change.

2.7 “**Commission**” means the British Columbia Securities Commission.

2.8 “**Company**” means Bluestone Resources Inc. and includes any successor corporation thereof.

2.9 “**Consultant**” means any individual, corporation, incorporated association or organization, body corporate, partnership, trust, association, or any other entity other than an individual who:

- (a) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or any Affiliate of the Company other than services provided in relation to a “distribution” (as defined in the *Securities Act* (British Columbia));
- (b) provides the services under a written contract with the Company or any Affiliate of the Company;
- (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Affiliate of the Company; and
- (d) has a relationship with the Company or any Affiliate of the Company that enables the individual to be knowledgeable about the business and affairs of the Company or is otherwise permitted by applicable securities laws or regulations to be granted Options as a Consultant or as an equivalent thereof.

2.10 “**Eligible Person**” means:

- (a) any director, officer or Employee of the Company or a subsidiary of the Company (“**Eligible Individual**”);
- (b) a Consultant; or
- (c) or any corporation, incorporated association or organization, body corporate, partnership, trust, association or any other entity other than an individual that is wholly-owned by an Eligible Individual.

2.11 “**Employee**” has the meaning ascribed to such term in the Exchange Manual.

2.12 “**Employee Benefit Withholding Tax**” means the amount required by Canadian authorities to be withheld and remitted by the Company in respect of the deemed employment benefit on exercise of an Option by an Optionee, as determined under the Tax Act and the regulations thereunder, and any other federal or provincial legislation that requires the Company to withhold tax or other amounts in respect of the deemed employment benefit determined under the Tax Act.

2.13 “**Exchange**” means the TSX Venture Exchange.

- 2.14** “**Exchange Manual**” means the TSX Venture Exchange Corporate Finance Manual.
- 2.15** “**Exercise Notice**” means the written notice of the exercise of an Option, in the form set out as Schedule “B” hereto, duly executed by the Optionee.
- 2.16** “**Expiry Date**” means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with Section 7.1.
- 2.17** “**Expiry Time**” means the time the Option expires on the Expiry Date, which is 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.
- 2.18** “**Grant Date**” means the date on which the Committee grants a particular Option; however, no Option can be exercised unless and until all necessary regulatory approvals have been obtained.
- 2.19** “**Insider**” means:
- (a) a director or senior officer of the Company;
 - (b) a director or senior officer of a corporation, incorporated association or organization, body corporate, partnership, trust, association or any other entity other than an individual that is an Insider or subsidiary of the Company;
 - (c) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company; or
 - (d) the Company itself if it holds any of its own securities.
- 2.20** “**Market Price**” means the last closing price for the Company’s Shares traded on the Exchange prior to the grant of the Options.
- 2.21** “**Option**” means an option to purchase Shares granted to an Eligible Person under this Plan.
- 2.22** “**Option Certificate**” has the meaning ascribed thereto in Section 8.1.
- 2.23** “**Option Period**” has the meaning ascribed thereto in Section 5.2(e).
- 2.24** “**Option Price**” means the price per Share at which the Shares may be purchased under an Option, as determined in accordance with Section 5.2(c).
- 2.25** “**Optionee**” means an Eligible Person to whom an Option has been granted and who continues to hold such Option.
- 2.26** “**Plan**” means this stock option plan, as may be amended or varied from time to time.
- 2.27** “**Shares**” means the common shares of the Company or, in the event of an adjustment contemplated by Section 4.3 hereof, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment.
- 2.28** “**Tax Act**” means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th suppl.), as amended or replaced from time to time.

3. ADMINISTRATION

3.1 General

- (a) **Committee.** The Board may at any time appoint a committee of the Board (the “**Committee**”) to, among other things, interpret, administer and implement this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan (provided that if at any such time such a committee

has not been appointed by the Board, this Plan will be administered by the Board, and in such event references herein to the Committee shall be construed to be a reference to the Board). The Board will take such steps that in its opinion are required to ensure that the Committee has the necessary authority to fulfill its functions under this Plan. If a Committee is appointed for this purpose, all references to the term "Board" will be deemed to be references to the Committee, as applicable in the context used.

- (b) **Administrator.** The Board may delegate to any director, officer or Employee of the Company such administrative duties and powers as the Board may see fit, with such person being appointed the Administrator.
- (c) **Authority of the Board.** The Board may revoke the Committee's authority hereunder at any time in the Board's sole and absolute discretion and, in such event, the Board may exercise the powers, and/or delegate to such other committee of the Board as the Board considers appropriate, all or any of the powers, conferred on the Committee under this Plan. In such event, the Board and/or the committee to which the Board has delegated such powers will exercise the powers conferred on the Committee under this Plan. Any decision made, or action taken by the Board and/or any committee to which the Board has delegated its powers hereunder arising out of or in connection with the administration or interpretation of this Plan in this context, will be final and conclusive.

3.2 Board Powers

The Board shall have the power, where consistent with the Exchange Manual and the general purpose and intent of this Plan and subject to the specific provisions of this Plan:

- (a) to establish, amend and repeal at any time and from time to time such regulations as it may deem necessary or advisable for the proper administration and operation of this Plan and such regulations shall form part of this Plan;
- (b) to interpret and construe this Plan and to determine all questions arising out of this Plan or any Option, and any such interpretation, construction or determination made by the Board shall be final, binding and conclusive for all purposes;
- (c) to amend this Plan and any Option in accordance with Section 11.1 hereof;
- (d) to terminate this Plan in accordance with Section 11.2 hereof;
- (e) to determine the number of Shares covered by each Option;
- (f) to determine the Option Price of each Option;
- (g) to determine the time or times when Options will be granted and exercisable;
- (h) to determine if the Shares which are issuable on the exercise of an Option will be subject to any restrictions upon the exercise of such Option; and
- (i) to prescribe the form of the instruments relating to the grant, exercise and other terms of Options.

3.3 Interpretation

The interpretation by the Board of any of the provisions of this Plan and any determination by it pursuant thereto shall be final and conclusive and shall not be subject to any dispute by any Optionee. No member of the Board or any person acting pursuant to authority delegated by the Board hereunder shall be liable for any action or determination in connection with this Plan made or taken in good faith and each member

of the Board and each such person shall be entitled to indemnification with respect to any such action or determination in the manner provided for by the Company.

4. SHARES OF STOCK SUBJECT TO PLAN

4.1 Number of Shares

Subject to adjustment as provided for herein, the number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan will not exceed 10% of the number of Shares which are issued and outstanding on the particular Grant Date. In no event shall Options be granted, without regulatory approval, entitling any single Eligible Person to purchase in excess of 5% of the then outstanding Shares in any 12-month period and no more than 2% of the then outstanding Shares may be issued to any one Consultant or to all persons performing “investor relations activities” (as such term is defined in the Exchange Manual) in the aggregate in any 12-month period. The maximum number of Options which may be granted to Insiders within any 12-month period must not exceed 10% in aggregate of the then outstanding Shares. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

4.2 Fractional Shares

No fractional Shares shall be issued upon the exercise of Options granted under this Plan and, accordingly, if an Optionee would become entitled to a fractional Share upon the exercise of an Option, such Optionee shall only have the right to purchase the next lowest whole number of Shares and no payment or other adjustment will be made with respect to the fractional interest so disregarded.

4.3 Adjustments

- (a)** Subject to Section 11.1(c), in the event of a share dividend, share split, issuance of Shares or instruments convertible into Shares (other than pursuant to the Plan) for less than market value, share consolidation, share reclassification, exchange of Shares, recapitalization, amalgamation, merger, consolidation, corporate arrangement, reorganization, liquidation or the like of or by the Company, the Board may make such adjustment, if any, of the number of Shares to be issued on exercise of an Option, or of the Option Price, or both, as it shall deem appropriate to give proper effect to such event, including to prevent, to the extent possible, substantial dilution or enlargement of rights granted to Optionees under the Plan. In any such event, the maximum number of Shares available under the Plan may be appropriately adjusted by the Board. If because of a proposed merger, amalgamation or other corporate arrangement or reorganization, the exchange or replacement of Shares in the Company of those in another company is imminent, the Board may in a fair and equitable manner, determine the manner in which all unexercised Option rights granted under the Plan shall be treated including, for example, requiring the acceleration of the time for the exercise of such rights by the Optionees and of the time for the fulfillment of any conditions or restrictions on such exercise. All determinations of the Board under this paragraph 4.3(a) shall be full and final.
- (b)** Any adjustment proposed to be made under Section 4.3(a) will be subject to the approval of the Exchange.

4.4 Other Accounting for Shares

Any Shares related to an Option which terminates by expiration, forfeiture, cancellation or otherwise without the issuance of such Shares shall again be available for issuance under this Plan.

5. GRANT OF OPTIONS

5.1 Eligibility

Options may be granted under the Plan to any Eligible Person as designated by the Board from time to time under the Plan. The Company represents and confirms that any Optionee under the Plan that is a director, officer, Employee or Consultant of the Company or a subsidiary of the Company will be a bona fide director, officer, Employee or Consultant of the Company or a subsidiary of the Company. Subject to the provisions of this Plan, the total number of Shares to be made available under the Plan and to each Eligible Person, the time or times and price or prices at which Options shall be granted, the time or times at which such Options are exercisable, and any conditions or restrictions on the exercise of Options, shall be in the full and final discretion of the Board.

5.2 Terms and Conditions of Options

- (a) **General.** Except as herein and otherwise specifically provided, the number of Shares subject to each Option, the Option Price of each Option, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board.
- (b) **Vesting.** Subject to Section 9, an Option which is subject to vesting, shall vest and may be exercised during the Option Period as set out in the Option Certificate. Options which have vested may be exercised in whole or in part at any time and from time to time during the Option Period. Options granted to Persons retained to provide Investor Relations Activities will vest in stages over a period of not less than 12 months with no more than 1/4 of the options vesting in any three-month period. The Board may, in its entire discretion, subsequent to the time of granting Options hereunder, permit an Optionee to exercise any or all of the unvested Options then outstanding and granted to the Optionee under this Plan, in which event all such unvested Options then outstanding and granted to the Optionee shall be deemed to be immediately exercisable during such period of time as may be specified by the Board. Notwithstanding any vesting schedule to which Options are subject, unvested Options shall immediately expire and cease to vest if the employment or engagement of an Optionee as an Employee or Consultant or the position of an Optionee as a director or officer of the Company or a subsidiary of the Company ceases or is terminated for any reason whatsoever. In which case, the Optionee may only exercise such number of Options that are vested as at the date of cessation or termination of such Optionee's employment, engagement, or appointment as an Employee, Consultant, director or officer of the Company or a subsidiary of the Company.
- (c) **Option Price.** Subject to any adjustment pursuant to the provisions of Section 4.3 hereof, the Option Price payable by each Optionee for each Share issued on exercise of an Option shall be as determined by the Board but shall in no event be less than the Market Price.
- (d) **Assignability.** An Option is personal to the Optionee and is non-assignable and non-transferrable by an Optionee (whether by operation of law or otherwise), other than as permitted by Section 10 or the Exchange Manual. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of an Option contrary to the provisions of this Plan, or upon the levy of any attachment or similar process upon an Option, the Option shall, at the election of the Company, cease and terminate and be of no further force or effect whatsoever.

- (e) **Option Period.** Subject to Sections 7.1 and 7.2, the term (the “**Option Period**”) of any Options granted under this Plan will be determined by the Board but shall not exceed 10 years from the Grant Date.
- (f) **Legends.** Any Shares issued on the exercise of Options prior to the expiry of an applicable hold period, must be legended as required by applicable securities laws and regulations.
- (g) **Exercise and Payment.** An Optionee (or heir or administrator of an Optionee, as contemplated in Section 10) may exercise an Option in whole or in part, subject to Section 7.2, at any time or from time to time during the Option Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering written notice to the Company in accordance with Section 6.2 together with full payment of the Option Price payable pursuant to exercise of the Option.

5.3 Notices

Any notice, delivery, or other correspondence of any kind whatsoever to be provided by the Company to an Optionee will be deemed to have been provided if provided to the last home address, fax number, or email address of the Optionee in the records of the Company and the Company shall be under no obligation to confirm receipt or delivery.

6. EXERCISE OF OPTION

6.1 Exercise by Written Notice

Subject to the terms and conditions of this Plan, an Option may be exercised by the Optionee, or the heir or administrator of the Optionee (as contemplated in Section 10 in whole or in part at any time and from time to time during the Exercise Period up to the Expiry Time on the Expiry Date by delivering to the Administrator the required Exercise Notice, accompanied by full payment of the Option Price for each Optioned Share purchased under an Option, and satisfaction of the applicable Employee Benefit Withholding Tax in the manner set out in Section 6.2 of this Plan. Notwithstanding anything else contained herein, Options may not be exercised during a Blackout Period unless the Committee determines otherwise.

6.2 Payment of Option Price and Employee Benefit Withholding Tax

The Option Price of each Optioned Share purchased under an Option shall be paid in full in cash or by bank draft, certified cheque, or other form of payment agreed to by the Company, at the time of such exercise, in lawful money of Canada, to the Company, and the Optionee, or the heir or administrator of the Optionee (as contemplated in Section 10), shall provide for the applicable Employee Benefit Withholding Tax, as determined by the Company, by paying, at the time of exercise, the Employee Benefit Withholding Tax, and upon receipt of payment in full of the Option Price and the applicable Employee Benefit Withholding Tax, the number of Shares issued in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable.

6.3 Effect of Exercise

As soon as practicable after the exercise of an Option in accordance with the terms of this Plan, the Company shall issue a certificate or certificates evidencing the Shares in respect of which the Option is exercised.

7. EXPIRY OF OPTIONS

7.1 Duration of Option.

- (a) Subject to Section 7.1(b), Options shall be expressed to expire on the date set out in the Option Certificate and shall be subject to earlier termination as provided in Section 7.2 (the “Expiry Date”).
- (b) In the event that the Expiry Date falls during a Blackout Period, the Expiry Date shall be automatically extended to a date that is ten Business Days after the last date of the Blackout Period in question.

7.2 Termination of Option.

An Optionee may exercise an Option in whole or in part at any time or from time to time during the Option Period. Any Option or part thereof not exercised within the Option Period shall terminate and become null, void, and of no further force and effect at 5:00 p.m. local time in Vancouver, British Columbia, on the Expiry Date. Subject to any express resolution of the Board, in its sole discretion, extending or limiting the Expiry Date of an Option, the Expiry Date of an Option shall be the earlier of (i) the Expiry Date fixed by the Board and (ii) the date established, if applicable, in Sections 7.2(a) to (c) below:

- (a) **Ceasing to Hold Office.** If the Optionee was granted Options as a director of the Company or a subsidiary of the Company and such Optionee ceases to be a director of the Company or the subsidiary other than by reason of death, then the Expiry Date of the Option shall be 90 days following the date the Optionee ceases to be a director of the Company, unless the Optionee ceases to be a director of the Company as a result of:
 - (i) ceasing to be qualified to act as a director pursuant to Section 124 of the Business Corporations Act (British Columbia); or
 - (ii) an order of the Commission, the Exchange, or any regulatory body having jurisdiction to so order;

in which case the Expiry Date shall be the date the Optionee ceases to be a director of the Company.

- (b) **Ceasing to be Employed.** If the Optionee was granted Options as an Employee, officer or Consultant of the Company or a subsidiary of the Company and such Optionee ceases to be an Employee, officer or Consultant of the Company or a subsidiary of the Company, other than by reason of death, then the Expiry Date of the Option shall be the 30th day following the date the Optionee ceases to be an Employee, officer, or Consultant to the extent they were exercisable on the date of ceasing to be an officer, Employee, Consultant, or director, unless the Optionee ceases to be an Employee, officer, or Consultant as a result of:
 - (i) termination for cause;
 - (ii) an order of the Commission, the Exchange, or any regulatory body having jurisdiction to so order; or
 - (iii) resignation;

in which case the Expiry Date shall be the date the Optionee ceases to be an Employee, officer, or Consultant of the Company.

(c) **Death.** In the event of the death of an Optionee, the Optionee's Option shall be exercised within one year succeeding such death and then only:

- (i) by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of intestacy and succession; and
- (ii) to the extent that the Optionee was entitled to exercise the Option at the date of the Optionee's death, subject to adjustment in accordance with Section 5.2(b).

7.3 For greater certainty, Options shall not be affected by any change of employment of the Optionee or by the Optionee ceasing to be a director or officer of the Company or a subsidiary of the Company provided that the Optionee continues to be an Eligible Person.

7.4 For purposes of this Section 7, a determination by the Company that an Optionee was discharged for "cause" shall be binding on the Optionee.

8. OPTION CERTIFICATES

8.1 Option Certificate

Each Option shall be confirmed by a certificate in the form set out in Schedule A which shall incorporate such terms and conditions as the Board, in its discretion, deems consistent with the terms of this Plan (the "**Option Certificate**"). In the event of conflict between the terms of an Option Certificate and the terms of this Plan, the terms of this Plan shall prevail, and the Option Certificate shall be deemed to have been amended accordingly.

8.2 Representations by Optionees

Each Option Certificate shall provide that upon each exercise of an Option, the Optionee (including for the purposes of this Section 8.2 each other person who, pursuant to Section 7.2 hereof, may purchase Shares under an Option granted to an Eligible Person) shall, if so requested by the Company, represent and agree in writing that:

- (a) the person is, or the Optionee was, an Eligible Person and has not been induced to purchase the Shares by expectation of employment or continued employment;
- (b) the person is purchasing the Shares pursuant to the exercise of such Option as principal for the Optionee's own account (or if such Optionee is deceased, for the account of the estate of such deceased Optionee) for investment purposes, and not with a view to the distribution or resale thereof to the public;
- (c) the person will, prior to and upon any sale or disposition of any of the Shares purchased pursuant to the exercise of such Option, comply with all applicable securities laws and any other federal, provincial, or state laws or regulations to the extent that such laws or regulations are applicable to such sale or disposition; and
- (d) such Optionee (or such other person) will not offer, sell or deliver any of the Shares purchased pursuant to the exercise of such Option, directly or indirectly, in the United States or to any citizen or resident of, or any corporation, partnership, or other entity created or organized in or under the laws of, the United States, or any estate or trust, the income of which is subject to United States federal income taxation regardless of its source, except in compliance with United States federal and state securities laws. The Optionee acknowledges that the Company has the right to place any restriction or legend on any securities issued pursuant to the Option Certificate or this Plan including, but in no way limited to placing a legend to the effect that the securities have not been registered

under the *Securities Act (1933)* of the United States and may not be offered or sold in the United States unless registration or an exemption from registration is available.

8.3 Other Procedures and Documentation

The Company may employ other procedures and require further documentation from an Optionee to ensure compliance with all applicable laws.

9. CHANGE OF CONTROL

Notwithstanding any provision herein to the contrary, if at any time prior to the Expiry Date a Change of Control occurs, all unvested Options shall automatically vest and the Optionee shall have the right, at any time following the Change of Control until the Expiry Date, to exercise all or any of the unexercised Options previously granted to the Optionee. Acceleration of vesting provisions on options granted to those providing Investor Relations Activities must have prior TSXV acceptance.

10. ASSIGNMENT OF OPTIONS

All benefits, rights and Options accruing to any Optionee in accordance with the terms and conditions of this Plan shall not be transferable or assignable, except that if an Optionee dies prior to the expiry of an Option, the Optionee's heirs or administrators may exercise any vested Options in accordance with Section 7.2(c). During the lifetime of an Optionee, benefits, rights and Options may only be exercised by the Optionee.

11. AMENDMENT AND TERMINATION

11.1 Amendment

- (a) Subject to paragraphs (b) and (c) and any required regulatory approval (including acceptance by the Exchange), the Board may from time to time amend or revise the terms and conditions of this Plan or any Option, provided that no such action may in any manner adversely affect the rights under any previously granted Options unless the Company has the consent of the affected Optionee(s) or unless additional similar rights comparable thereto, or other compensation of equal or greater value, is given to such Optionee(s). Without limiting the foregoing, in addition to the items set out in Section 3 and without limiting such items, the Board is specifically authorized to amend or revise the terms of this Plan or an Option, by passing a resolution of the Board setting out such amendment, without obtaining shareholder approval in the following circumstances:
- (i) to change the vesting provisions of an Option or this Plan;
 - (ii) to change the termination provisions of an Option or this Plan, provided there is no extension beyond the original Expiry Date;
 - (iii) to make other amendments of a "housekeeping" or non-material nature with requisite regulatory approval; or
 - (iv) to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions.
- (b) Notwithstanding any provisions to the contrary, the Board may only amend the provisions of this Plan relating to the following provided the Board obtains the approval of the shareholders of the Company in respect thereof:
- (i) persons eligible to be granted Options under the Plan;

- (ii) the maximum number of Shares reserved for issuance upon exercise of Options available under this Plan;
 - (iii) the limitations on grants of Options to any one person, Insiders, Consultants, or persons involved in investor relations activities;
 - (iv) the method for determining the Option Price for Options;
 - (v) the maximum Option Period for Options;
 - (vi) the expiry and termination provisions applicable to Options; or
 - (vii) any amendment to the amendment provisions.
- (c) Disinterested shareholders of the Company must approve any amendment to Options held by an Insider at the time of the amendment that would have the effect of decreasing the Option Price of such Options.

11.2 Termination of this Plan.

The Board may terminate this Plan at any time provided that such termination shall not alter the terms or conditions of an Option or impair any right of any Optionee pursuant to any Option awarded prior to the date of such termination and notwithstanding such termination, such Options shall continue to be governed by the provisions of this Plan, which shall survive the termination for such purpose.

12. COMPLIANCE WITH LEGISLATION

12.1 Regulatory Compliance.

This Plan, the grant and exercise of Options hereunder, and the Company's obligation to sell and deliver Shares upon exercise of Options shall be subject to all applicable federal, provincial and foreign laws, rules and regulations, the rules and regulations of any stock exchange on which the Shares are listed for trading, and to such approvals by any regulatory or governmental agency as may, in the opinion of counsel to the Company, be required. The Company shall not be obliged by any provision of this Plan or the grant of any Option hereunder to issue or sell Shares in violation of such laws, rules and regulations, or any condition of such approvals. No Option shall be granted, and no Shares issued or sold hereunder where such grant, issue or sale would require registration of this Plan or of Shares under the securities laws of any foreign jurisdiction and any purported grant of any Option or issue or sale of Shares hereunder in violation of this provision shall be void. Shares issued and sold to Optionees pursuant to the exercise of Options may be subject to limitations on sale or resale under applicable securities laws. In particular, if Options are granted to any resident or citizen of the United States, the Board and the Company will use their best efforts to ensure that all matters pertaining to such Options shall be made in compliance with applicable United States securities laws.

12.2 No Obligations to Issue Shares if Non-Compliance.

The issue and sale of Shares pursuant to any Option granted under this Plan is specially conditioned on such issue and sale being made in compliance with applicable securities laws, and the Company shall have no obligation to issue or sell any Shares pursuant to the exercise of any Option unless the Board determines in its sole discretion that such issue and sale will be made in compliance with applicable securities laws. The Company will be entitled to take such action as it deems necessary to restrict the transferability in the United States of any Shares acquired on exercise of any Option.

12.3 Remittance of Employee Benefit Withholding Tax.

The Company shall remit the Employee Benefit Withholding Tax paid or withheld in accordance with Section 6.2 of this Plan to the Receiver General or such other person as required by, and in accordance with, the provisions of the Tax Act and the Regulations thereunder, and any other federal or provincial legislation that requires the Company to withhold tax or other amounts in respect of the exercise of an Option, for the benefit of the Optionee on behalf of whom such tax is remitted. Accordingly, the Company shall ensure such amounts are reported on the Optionee's T4 or other tax information slips as required.

13. MISCELLANEOUS PROVISIONS**13.1 No Shareholder Rights.**

An Optionee shall not have any rights as a shareholder of the Company with respect to any of the Shares covered by an Option until the date of delivery of the Shares upon the exercise of such Option, in full or in part, and then only with respect to the Shares so delivered. Without in any way limiting the generality of the foregoing, no adjustment shall be made for dividends or other rights for which the record date is prior to the date such Share certificate is issued.

13.2 Employment or Directorship.

Nothing in this Plan or any Option shall confer upon an Optionee any right to continue or to be re-elected as a director of the Company or any right to continue in the employ of the Company or any subsidiary of the Company, or affect in any way the right of the Company or any subsidiary of the Company to terminate his or her employment at any time; nor shall anything in this Plan or any Option be deemed or construed to constitute an agreement, or an expression of intent, on the part of the Company or any subsidiary of the Company, to extend the employment of any Optionee.

13.3 Record Keeping.

The Company shall maintain a register in which shall be recorded:

- (a) the name and address of each Optionee; and
- (b) the number of Options granted to each Optionee and the number of Options outstanding.

13.4 Governing Law.

This Plan and all matters to which reference is made herein shall be governed by and interpreted in accordance with the laws of the Province of British Columbia and the laws of Canada applicable therein.

13.5 No Obligation to Exercise.

Optionees shall be under no obligation to exercise Options granted under this Plan.

13.6 Headings.

The headings used in this Plan are for convenience of reference only and shall not in any way affect or be used in interpreting any of the provisions of this Plan.

14. APPROVALS

This Plan shall be subject to all necessary regulatory and shareholder approval. Any Options granted prior to such approvals shall be conditional upon such approvals being obtained and no such Options may be exercised unless and until such approvals have been obtained.

SCHEDULE A - OPTION CERTIFICATE

This Option Certificate certifies that, effective the ● day of ●, 2018 (the “Grant Date”), **BLUESTONE RESOURCES INC.** (the “Company”) has granted to ● (the “Optionee”), an option (the “Option”) to acquire ● common shares in the capital of the Company (“Shares”) at an exercise price of C\$● per Share (the “Option Price”) pursuant to the provisions of the Company’s Stock Option Plan (the “Plan”). Subject to the provisions of the Plan, this Option expires at 5:00 p.m. (Vancouver time) on ● (the “Expiry Time”).

The Option will vest and may be exercised as follows: _____.

This Option Certificate and the Option are subject to the detailed terms and conditions contained in the Plan. This Option Certificate is issued for convenience only, and in the case of any dispute with regard to any matter in respect hereof, the provisions of the Plan and the records of the Company shall prevail.

To exercise your Option, complete the attached Exercise Notice prior to the Expiry Time specifying the number of vested Shares you wish to acquire, together with cash, certified cheque or bank draft payable to the Company for the aggregate Option Price.

The following legend will be affixed to any Shares issued before ● **[date four months and one day after Grant Date]** upon exercise of the Option and placed on the face of any certificate or ownership statement representing such Shares (or if the face of the certificate or ownership statement has insufficient space, on the back of the certificate or ownership statement with a reference on the face of the certificate or ownership statement to the legend):

“Without prior written approval of the Exchange and compliance with all applicable securities legislation, the securities represented by this certificate may not be sold, transferred, hypothecated or otherwise traded on or through the facilities of the Exchange or otherwise in Canada or to or for the benefit of a Canadian resident until ●**[date four months and one day after Grant Date]**.”

The Company and the Optionee represent that the Optionee is an Eligible Person (as defined in the Plan), entitled to receive Options under the policies of the Exchange.

This Certificate and the Option evidenced hereby are not assignable, transferable or negotiable and are subject to the detailed terms and conditions contained in the Plan.

The Optionee consents to the disclosure of Personal Information (as defined in the policies of the Exchange) by the Company to the Exchange, and to the collection, use, and disclosure of Personal Information by the Exchange, for the purposes identified by the Exchange.

BLUESTONE RESOURCES INC.

Authorized Signatory

Signature of Optionee:

Name

SCHEDULE B - EXERCISE NOTICE

TO: The Administrator, Stock Option Plan (the “Plan”)
 Bluestone Resources Inc. (the “Company”)

The undersigned hereby gives notice under the Option Certificate of exercise of the Option (as defined in the Option Certificate) with respect to the number of Shares designated below and encloses a certified cheque, bank draft, or confirmation of wire payment in the designated amount representing payment in full for those Shares.

Number of Shares: _____
 Option Price per Share: _____
 Total Option Price Payable: _____

In order to satisfy the Employee Benefit Withholding Tax obligation (as defined in the Plan) (“**Withholding Obligation**”), I hereby:

- (a) enclose a certified cheque, bank draft or confirmation of wire payment payable to the Company for the estimated Withholding Obligation and agree that I will reimburse the Company for any amount by which the actual Withholding Obligation exceeds the estimated Withholding Obligation; or
- (b) advise the Company that _____ (**name of brokerage firm**) (the “**Broker**”) will provide the Company with the estimated Withholding Obligation in respect of the above Options in exchange for certificates representing such number of Shares to be issued upon due exercise of the above Options that have been sold by the Broker for my account. Upon confirmation of the number of Shares sold by the Broker, I hereby direct you to deliver the applicable share certificates to the Broker. I agree that I will reimburse the Company for any amount by which the actual Withholding Obligation exceeds the estimated Withholding Obligation. Please prepare the Share certificates, if any, issuable in connection with this exercise in the following name(s):

In connection with this exercise of the Option and the purchase of the Shares, I hereby represent and agree as follows (the terms used below have the same meaning as the corresponding terms in the Plan):

- (a) I am an Eligible Person and have not been induced to purchase the Shares by expectation of employment or continued employment;
- (b) I am purchasing the Shares pursuant to the exercise of the Option as principal for my own account for investment purposes, and not with a view to the distribution or resale thereof to the public;
- (c) I will, prior to and upon any eventual sale or disposition of the Shares, comply with the securities laws and any other federal, provincial, or state laws or regulations to the extent that such laws or regulations are applicable to such sale or disposition;
- (d) I will not offer, sell or deliver any of the Shares purchased pursuant to the exercise of the Option, directly or indirectly, in the United States or to any citizen or resident of, or any corporation, partnership, or other entity created or organized in or under the laws of, the United States, or any estate or trust, the income of which is subject to United States federal income taxation regardless of its source, except in compliance with United States federal and state securities laws;
- (e) I acknowledge that the Company has the right to place any restriction or legend on any securities issued pursuant to the Option Certificate or this Plan including, but in no way limited to placing a legend to the effect that the securities have not been registered under the Securities Act (1933) of the United States and may not be offered or sold in the United States unless registration or an exemption from registration is available; and
- (f) I have read the Company’s Securities Trading Policy (the “Policy”) and I am not aware of any undisclosed material information as described in the Policy.

DATED the _____ day of _____, 20_____.

SIGNED BY OPTIONEE: _____