Bluestone
RESOURCES INC.

BLUESTONE RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS FOR THE THREE AND NINE MONTHS ENDED SEPTEMBER 30, 2020

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Bluestone Resources Inc. ("Bluestone" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the nine months ended September 30, 2020. The MD&A was prepared as of November 17, 2020 and should be read with the condensed interim consolidated financial statements and related notes for the nine months ended September 30, 2020, which can be found along with other information of the Company on SEDAR at www.sedar.com. All figures are in United States ("U.S.") dollars unless otherwise stated. References to C$ are to Canadian dollars. The financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

Forward-Looking Statements

This MD&A contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). All statements, other than statements of historical fact, which address activities, events or developments that management believes, expects or anticipates will or may occur in the future are forward-looking statements and often use words such as "expects", "plans", "anticipates", "estimates", "intends", "may" or variations thereof or the negative of any of these terms. Forward-looking statements contained in this MD&A include, but are not limited to statements with respect to the conversion of Inferred Mineral Resources; increasing the amount of Measured and Indicated Mineral Resources; the proposed timeline and benefits of further drilling; the timing of commercial production at the Company's Cerro Blanco Gold project ("Cerro Blanco") and the generation of material revenue by the Company; the proposed timeline, objectives and benefits of the feasibility study on Cerro Blanco titled "Feasibility Study, NI 43-101 Technical Report, Cerro Blanco Project, Guatemala" dated February 14, 2019 with an effective date as of January 29, 2019 and filed on the Company's profile at www.sedar.com on February 13, 2019 (the "Feasibility Study"); statements about the Company's plans for its mineral properties; Bluestone's business strategy, plans and outlook; the future financial or operating performance of Bluestone; capital expenditures, corporate general and administration expenses and exploration and evaluation expenses; expected working capital requirements; proposed production timelines and rates; funding availability; the potential impact of the novel coronavirus ("COVID-19") on the Company and its operations; and future exploration and operating plans.

All forward-looking statements are made based on management's current beliefs, as well as various assumptions made by them and information currently available to them. Generally, these assumptions include, among others: the ability of Bluestone to carry on exploration and development activities; the price of gold, silver and other metals; there being no material variations in the current tax and regulatory environment; the exchange rates among the Canadian dollar, Guatemalan quetzal and the U.S. dollar remaining consistent with current levels; the presence of and continuity of metals at Cerro Blanco at estimated grades; the availability of personnel, machinery and equipment at estimated prices and within estimated delivery times; metals sales prices and exchange rates assumed; appropriate discount rates applied to the cash flows in economic analysis; tax rates and royalty rates applicable to the proposed mining operation; and the availability of acceptable financing.

Forward-Looking Statements (cont'd)

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, Bluestone. Factors that could cause actual results or events to differ materially from current expectations are included under the heading "*Risks and Uncertainties*" in this MD&A in addition to risks and uncertainties related to expected production rates, timing and amount of production and total costs of production; risks associated with technical difficulties in connection with mining development activities; risks and uncertainties related to the accuracy of estimates of future production, future cash flow, total costs of production and diminishing quantities or grades of Mineral Resources; and risks and uncertainties related to interruptions in production.

Any forward-looking statement speaks only as of the date on which it was made, and, except as may be required by applicable securities laws, Bluestone disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results or otherwise. There can be no assurance that forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.

Qualified Person

The scientific and technical disclosure in this MD&A has been reviewed and approved by David Cass, P.Geo., Vice President Exploration, who is a Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects ("NI 43-101").

Overview

Bluestone is a natural resource company focused on the exploration and development of its 100% owned Cerro Blanco Gold project and Mita Geothermal project ("Mita Geothermal"), both located in Guatemala. Cerro Blanco is a proposed underground gold mining operation located in southeast Guatemala approximately 160 kilometers by road from the capital, Guatemala City. Mita Geothermal is a geothermal energy resource located adjacent to Cerro Blanco. The Company's head and registered office is located at 2000 - 885 West Georgia Street, Vancouver, BC, V6C 3E8. The Company's common shares are listed on the TSX Venture Exchange ("TSXV"), trading under the symbol 'BSR', and on the OTCQB, trading under the symbol 'BBSRF'.

Highlights for the Three Months Ended September 30, 2020

- Announced additional infill drilling results on September 21, 2020, which included a 7.2 m intercept that assayed 15 g/t Au and 55 g/t Ag. After a temporary hiatus in 2020 Q2 due to restrictions imposed due to the COVID-19 pandemic, the Company resumed drilling activities and had a total of five drill rigs operational at September 30, 2020.

- Advanced Cerro Blanco project readiness activities, in addition to various confirmation test-work, optimization and basic engineering efforts.

Project Development Updates

Cerro Blanco

The Company has one principal mining property interest, namely Cerro Blanco, a proposed underground gold mining operation located in southern Guatemala. Entre Mares de Guatemala S.A. ("Entre Mares"), a wholly-owned subsidiary of the Company, is the 100% owner of Cerro Blanco.

Project development

The Company entered into an engagement with G Mining Services Inc. in 2020 Q2 for basic engineering and Cerro Blanco optimization efforts. Together, Bluestone and G Mining Services Inc. form an integrated project team to manage aspects of the Cerro Blanco project, covering optimization of all areas of the design, execution plan and basic engineering. It is expected that basic engineering will be completed, and detailed engineering will be initiated by 2020 Q4. During this time, the detailed plan for procurement, site early works, construction and commissioning will be established as part of the next phase of Cerro Blanco. Modifications and updates to the Feasibility Study execution strategy are also expected, with the objective of de-risking the development. Changes to the Feasibility Study execution strategy are expected to include, but are not limited to, the following: evaluation trade-off studies to purchase, rather than lease, underground mine mobile equipment; modifications to, selection and site layout of processing plant and equipment; and additional procedures, schedule allowances, testing and protective equipment to manage risks associated with COVID-19 within the workforce. The Company is currently evaluating how these changes may impact the capital cost of the project.

The Company is advancing on the underground mine development plan and has been recently building out its recruitment, training plans and project readiness initiatives. Execution strategies and communication strategies were further refined in preparation of initiating local hiring for development activities, including a comprehensive communications plan to provide key messaging and training.

Infill drill program

The Company’s 2020 drill program primarily focuses on infill drilling in Cerro Blanco's South Zone and builds on the infill drill program recently completed in the North Zone of the deposit. The focus of the program will be the definition of extensions to key veins outside of the current Mineral Resource estimate and conversion of Inferred Mineral Resources.

Drill results were released in September 2020 and highlights included holes CB20-423 and CB20-425, which were drilled from surface to both infill and test extensions to several veins in the north-eastern part of the South Zone resource including VS_10. Hole CB20-425 was successful in drilling extensions to veins VS_07, VS_10 and VS_14, including 2.1 m grading 20 g/t Au (VS_10). This hole was an additional step out hole to CB20-420 (see press release dated June 9, 2020) and now extends Vein VS_10 to approximately 50 m outside of the current resource envelope. In both holes, target vein VS_22 was intersected as predicted.

Holes UGCB20-174 and UGCB20-177 were infill holes drilled to test the central portion of the ore body including infill drilling of vein VS_101. All targets were successfully intercepted including a high-grade interval of 210 g/t Au and 167 g/t Ag (VS-21) over 1.0 m and 2.3 m grading 24.3 g/t Au (VS_101).

Project Development Updates (cont'd)

Project financing

The Company continued to advance the project financing (debt package) in 2020 Q3. With the successful equity financing completed in 2020 Q2, the Company is positioned to continue to advance key Cerro Blanco initiatives while working in tandem to finalize the project debt package.

Impact of COVID-19 and response measures

In March 2020, the World Health Organization declared a global pandemic related to COVID-19. The health and safety of the Company's employees and communities is, and will always be, the Company's top priority. The Company continues to take the necessary steps and actions to ensure their well-being. Given the stage of Cerro Blanco, most aspects of the project have advanced without jeopardizing the well-being of stakeholders.

During the quarter, international travel limitations were lifted in Guatemala. The project execution team is planning an initial visit to the project site and various other locations in Guatemala to begin preparation and planning for early works activities.

Mita Geothermal

The Company owns a 100% interest in Mita Geothermal through its wholly-owned subsidiary, Geotermia Oriental de Guatemala, S.A. ("Geotermia"). Mita Geotermal is a geothermal energy resource located adjacent to Cerro Blanco and is 7 km from the Pan American Highway near the town of Asuncion Mita, in the region of Jutiapa in Guatemala. In November of 2015, the Government of Guatemala granted Geotermia a 50-year license to build and operate up to a 50-megawatt geothermal plant. It is currently forecasted that Guatemala's energy matrix will transition to a more renewable mix as Guatemala is committed to promoting more renewable energy and expanding the regional market. According to wholesale power market administrator Administrador del Mercado Mayorista (AMM), the country's effective generation capacity totals 3,440 MW, of which around 1,700 MW is thermo and 1,490 MW hydro, with contributions from wind (107 MW), solar (92 MW) and geothermal (39 MW). It is expected that greater private sector engagement will carry out projects of generation and transmission through the development of public-private partnerships. It is also expected that new biddings of energy for 15-year contracts, for renewable generation, will open in late 2020, which will be an important incentive for new projects. The Company continues to evaluate advancement options for Mita Geothermal as these developments occur.

Results of Operations for the Three Months Ended September 30, 2020 Compared to the Three Months Ended September 30, 2019

The Company's net loss for the three months ended September 30, 2020 totaled $8,639,298 or $0.06 per share as compared to a net loss of $5,852,904 or $0.07 per share for the three months ended September 30, 2019. Significant expenditures and variances are as follows:

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	(Increase) Decrease in Net Loss
Accounting and legal	**$74,787**	$49,839	($24,948)
Advertising and promotion	**114,612**	465,170	350,558
Corporate listing and filing fees	**3,362**	6,637	3,275
Exploration and evaluation expenses (1)	**5,672,863**	3,446,377	(2,226,486)
Office and administration	**188,728**	184,041	(4,687)
Salaries and wages	**903,252**	705,032	(198,220)
Share-based compensation	**206,123**	155,139	(50,984)
Total expenses	**(7,163,727)**	(5,012,235)	(2,151,492)
Interest income	**155,350**	73,982	81,368
Finance expenses (2)	**(422,239)**	(787,688)	365,449
Accretion expense	**(139,566)**	(49,790)	(89,776)
Other loss	**(11,189)**	—	(11,189)
Foreign exchange (loss) gain	**(512,988)**	37,484	(550,472)
Loss before income tax	**(8,094,359)**	(5,738,247)	(2,356,112)
Income tax expense (3)	**(544,939)**	(114,657)	(430,282)
Net loss	**($8,639,298)**	($5,852,904)	($2,786,394)

(1) Exploration and evaluation expenses for the three months ended September 30, 2020 and 2019 were for the following:

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019
Cerro Blanco operating expenditures	**$2,837,579**	$2,666,474
Cerro Blanco pre-development	**2,634,591**	249,388
Corporate social responsibility and community relations	**111,122**	344,778
Mita Geothermal evaluation	**—**	2,364
Depreciation	**89,571**	82,050
Other projects	**—**	101,323
	$5,672,863	$3,446,377

(2) Finance expenses for the three months ended September 30, 2020 are mainly related to project financing activities as discussed in "Project Development Updates". Finance expenses were higher for the three months ended September 30, 2019 due to costs relating to setting up the Credit Facility (see "Liquidity and Capital Resources").

(3) Income tax expense is due to the increase of the deferred income tax liability due to the effects of foreign exchange on the tax basis of property, plant and equipment and the exploration and evaluation asset in Guatemala. The tax basis of the assets in Guatemala still exceed their book cost, but that excess which existed at the date of acquisition is treated as a permanent difference for tax accounting purposes.

Results of Operations for the Nine Months Ended September 30, 2020 Compared to the Nine Months Ended September 30, 2019

The Company's net loss for the nine months ended September 30, 2020 totaled $21,122,779 or $0.18 per share as compared to a net loss of $15,283,821 or $0.20 per share for the nine months ended September 30, 2019. Significant expenditures and variances are as follows:

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019	(Increase) Decrease in Net Loss
Accounting and legal	**$225,595**	$213,406	($12,189)
Advertising and promotion [1]	**322,576**	1,103,462	780,886
Corporate listing and filing fees	**51,465**	45,525	(5,940)
Exploration and evaluation expenses [2]	**13,704,579**	9,798,914	(3,905,665)
Office and administration	**540,974**	533,800	(7,174)
Salaries and wages	**2,742,272**	2,114,252	(628,020)
Share-based compensation	**975,326**	749,282	(226,044)
Total expenses	**(18,562,787)**	(14,558,641)	(4,004,146)
Interest income	**310,403**	224,142	86,261
Finance expenses [3]	**(1,654,530)**	(849,687)	(804,843)
Accretion expense	**(411,749)**	(148,350)	(263,399)
Other income	**43,412**	93,003	(49,591)
Foreign exchange loss	**(358,282)**	(167,042)	(191,240)
Loss before income tax	**(20,633,533)**	(15,406,575)	(5,226,958)
Income tax (expense) recovery [4]	**(489,246)**	122,754	(612,000)
Net loss	**($21,122,779)**	($15,283,821)	($5,838,958)

(1) Advertising and promotion expenses during the nine months ended September 30, 2019 included an investor outreach program. Expenses were also comparatively lower during the nine months ended September 30, 2020 due to a decrease in advertising and promotion activities as the result of COVID-19, which restricted conference attendance and travel activities.

(2) Exploration and evaluation expenses for the nine months ended September 30, 2020 and 2019 were for the following:

	Nine Months Ended September 30, 2020	Nine Months Ended September 30, 2019
Cerro Blanco operating expenditures	**$7,630,457**	$7,955,557
Cerro Blanco pre-development	**5,255,790**	723,578
Corporate social responsibility and community relations	**553,448**	689,896
Mita Geothermal evaluation	**—**	61,463
Depreciation	**264,884**	240,926
Other projects	**—**	127,494
	$13,704,579	$9,798,914

Results of Operations for the Nine Months Ended September 30, 2020 Compared to the Nine Months Ended September 30, 2019 (cont'd)

(3) Finance expenses increased during the nine months ended September 30, 2020 compared to the nine months ended September 30, 2019 due to the Credit Facility (see "Liquidity and Capital Resources") and project financing activities as discussed in "Project Development Updates".

(4) Income tax expense is due to the increase of the deferred income tax liability due to the effects of foreign exchange on the tax basis of property, plant and equipment and the exploration and evaluation asset in Guatemala. The tax basis of the assets in Guatemala still exceed their book cost, but that excess which existed at the date of acquisition is treated as a permanent difference for tax accounting purposes.

Summary of Quarterly Results

The following table summarizes selected financial data reported by the Company for the three months ended September 30, 2020 and the previous seven quarters:

	September 30, 2020	June 30, 2020	March 31, 2020	December 31, 2019	September 30, 2019	June 30, 2019	March 31, 2019	December 31, 2018
Current assets	**$56,929,211**	$61,721,337	$6,212,614	$3,499,320	$8,148,314	$13,080,500	$16,775,803	$7,074,710
Property, plant and equipment	**5,016,920**	5,092,889	5,106,373	5,210,243	5,258,354	5,360,973	5,454,016	5,302,876
Exploration and evaluation assets	**30,126,433**	30,126,433	30,126,433	30,126,433	30,126,433	30,126,433	30,126,433	30,126,433
Total assets	**93,816,858**	98,697,779	43,204,825	40,599,490	45,286,909	50,327,226	54,118,624	44,255,376
Current liabilities	**3,035,421**	2,575,705	12,050,213	3,621,810	2,096,774	1,441,212	1,555,118	2,647,630
Working capital	**53,893,790**	59,145,632	(5,837,599)	(122,490)	6,051,540	11,639,288	15,220,685	4,427,080
Net loss	**(8,639,298)**	(5,582,153)	(6,901,328)	(7,012,413)	(5,852,904)	(4,255,423)	(5,175,494)	(7,631,841)
Basic and diluted loss per share	**(0.06)**	(0.05)	(0.08)	(0.09)	(0.07)	(0.05)	(0.08)	(0.12)
Weighted avg. shares outstanding	**143,231,017**	120,661,470	82,412,067	81,898,123	81,898,123	81,849,132	66,239,292	63,840,560

The Company completed equity financings on May 1, 2020 and March 19, 2019, which resulted in increases to total assets, working capital and shares outstanding. During the three months ended March 31, 2020, loans totaling $10.0 million were drawn from a credit facility, resulting in an increase to current liabilities. These loans were repaid in May 2020. Quarterly results mainly fluctuate due to the level of exploration and evaluation activities, such as drilling programs and Feasibility Study advancement and completion. There are no seasonal fluctuations in the results for the presented periods.

Liquidity and Capital Resources

Cash increased by $52,316,565 during the nine months ended September 30, 2020 from $3,030,330 as at December 31, 2019 to $55,346,895 as at September 30, 2020. Cash utilized in operating activities during the nine months ended September 30, 2020 was $18,953,223 (nine months ended September 30, 2019 - $14,758,013). Cash utilized in investing activities during the nine months ended September 30, 2020 was $27,887 (nine months ended September 30, 2019 - cash generated of $2,946). During the nine months ended September 30, 2020, the Company generated cash from financing activities, mainly equity financings, of $68,849,543 compared to $15,793,362 during the nine months ended September 30, 2019.

As at September 30, 2020, share capital was $168,662,895 and was comprised of 143,537,376 issued and outstanding common shares (December 31, 2019 - $96,107,883 comprised of 81,898,123 shares outstanding). The increase in outstanding common shares during the nine months ended September 30, 2020 was mainly the result of an equity financing. Reserves, which decreased due to stock option and warrant exercises, were $10,495,019 (December 31, 2019 - $12,502,950). As a result of the net loss for the nine months ended September 30, 2020, the deficit at September 30, 2020 increased to $106,970,132 from $85,847,353 at December 31, 2019. Accordingly, shareholders' equity on September 30, 2020 was $80,259,223 compared to $27,324,713 at December 31, 2019.

At present, the Company's operations do not generate cash inflows and its financial success is dependent on its ability to advance Cerro Blanco and Mita Geothermal. This can take many years and is subject to factors that are beyond the Company's control. See *"Risks and Uncertainties*".

In order to finance the Company's operations, the Company has raised money through the sale of equity instruments, the exercise of convertible securities and drawing from a credit facility. Many factors influence the Company's ability to raise funds, including the health of the resource market, the climate for mineral exploration and resource development investments, the Company's track record, the economics of the Feasibility Study and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress and results of drilling activities. Management believes it will be able to raise equity capital and/or debt as required but recognizes there will be risks involved that may be beyond its control.

On May 1, 2020, the Company completed a bought deal financing pursuant to which the Company issued 52,578,000 common shares of the Company at C$1.75 per common share and received gross proceeds of $65,414,119 (C$92,011,500). The Company incurred $2,707,204 in fees in connection with the financing during the nine months ended September 30, 2020. As at September 30, 2020, the Company had working capital of $53,893,790, which is sufficient to meet the Company's commitments and foreseeable corporate needs, including expenditures required to maintain properties and agreements in good standing.

Liquidity and Capital Resources (cont'd)

Credit Facility

On January 27, 2020, the Company entered into a $30,000,000 credit facility (the "Credit Facility"). Loans under the Credit Facility (the "Loans") are made available through multiple borrowings. The annual interest rates on the Loans are set based on US LIBOR plus a margin equal to 0.45%. A commitment fee equal to 0.20% per annum on the unused portion of the Credit Facility is payable quarterly in arrears during the availability period. The Loans can be repaid at any time in whole or in part subject to a minimum notice period without penalty. The maturity date for the Loans and the end of the availability period for the Credit Facility is the earlier of (i) the one-year anniversary of the Credit Facility and (ii) the occurrence of certain events, including funding pursuant to a potential senior debt project financing.

The Loans are supported by a guarantee from Nemesia S.à.r.l. ("Nemesia"). In consideration for the guarantee from Nemesia, the Company issued 85,000 common shares to Nemesia with a fair value of $98,012. Nemesia is an affiliate of Zebra Holdings and Investment S.à.r.l. and Lorito Holdings S.à.r.l. (collectively with Nemesia, the "Lundin Entities"), both of which are companies controlled by a trust settled by the late Adolf H. Lundin. The Lundin Entities are shareholders of the Company, making them a related party.

The Company entered into a debenture (the "Debenture") with Nemesia which provides a repayment mechanism in the event of default on Loans. The Debenture may be increased up to $32,000,000 (an amount equivalent to the Credit Facility plus potential interest) at the request of Nemesia but subject to approval of shareholders of the Company. If the Debenture is increased to $32,000,000, an additional 100,000 common shares of the Company will be issued to Nemesia. An additional 3,500 common shares of the Company will be issued to Nemesia for each $500,000 draw down per month on the guarantee from Nemesia, until repayment under the terms of the Debenture.

As of September 30, 2020, the Company had no Loans payable as the $10,000,000 drawn during the three months ended March 31, 2020 was repaid during the three months ended June 30, 2020.

Risks and Uncertainties

The Company is subject to a number of risks and uncertainties including, but not limited to the following:

- Operations in Guatemala
- Global epidemics or pandemics or other health crises
- Licenses and title to assets
- Maintaining and obtaining licenses and permits
- Environmental hazards
- Governmental laws and regulations
- Community action
- Uncertainty of development projects
- Estimates of Mineral Reserves and Resources
- The business of exploration for minerals and mining involves a high degree of risk
- Anti-corruption laws
- Tax risks
- Reliance on third parties and risk associated with foreign subsidiaries
- Property commitments
- Limited operational history
- Substantial capital requirements
- Acquisition risk
- Future sales or issuances of common shares
- Competition
- Dependence on key personnel
- Changes in climate conditions
- Control person of the Company
- Public company requirements
- Marketability of natural resources
- Conflicts of interest
- Uninsurable risks
- Infrastructure
- Price volatility of publicly traded securities
- Risk of fines and penalties
- The successful development of Cerro Blanco and Mita Geothermal cannot be guaranteed
- Information systems

An analysis of these risks and uncertainties, as they have the potential to impact the Company, can be found in the Company's Annual Information Form and MD&A for the year ended December 31, 2019. The risks and uncertainties have not changed from those disclosed in the Company's Annual Information Form and MD&A for the twelve months ended December 31, 2019.

Outstanding Share Data

Bluestone's authorized capital consists of an unlimited number of common shares and an unlimited number of preferred shares without par value. No preferred shares have been issued to date. The following common shares, options and share purchase warrants are outstanding as at November 17, 2020:

	Number of Shares	**Exercise Price C$**	**Remaining life (years)**
Issued and Outstanding Common Shares	143,537,376		
Stock options	5,695,667	1.15 - 1.89	0.13 - 4.51
Warrants	8,730,652	1.65	0.33
Fully diluted at November 17, 2020	**157,963,695**		

Off Balance Sheet Arrangements

The Company does not utilize off balance sheet arrangements.

Transactions with Related Parties

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of certain executive and non-executive members of the Company's Board of Directors and corporate officers. The remuneration of key management personnel included in the consolidated statements of loss were as follows:

	Three Months Ended September 30, 2020	Three Months Ended September 30, 2019	**Nine Months Ended September 30, 2020**	Nine Months Ended September 30, 2019
Salaries	**$456,841**	$493,345	**$1,568,065**	$1,461,396
Share-based compensation	**174,631**	128,675	**816,692**	606,383
	$631,472	$622,020	**$2,384,757**	$2,067,779

Accrued compensation due to key management as at September 30, 2020 was $509,369 (December 31, 2019 - $721,435).

Financial Instruments and Financial Risk Management

A description of the Company's financial instruments and financial risk management can be found in notes 8 and 9, respectively, of the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2020.

Significant Accounting Policies, Estimates and Judgments

A description of the Company's significant accounting policies, estimates and judgments, can be found in note 2, of the Company's audited consolidated financial statements for the year ended December 31, 2019.

New Standards and Interpretations Not Yet Adopted

A description of the International Accounting Standards Board's new standards and interpretations not yet adopted by the Company can be found in note 2(c) of the Company's condensed interim consolidated financial statements for the nine months ended September 30, 2020.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that: (i) the condensed interim consolidated financial statements for the nine months ended September 30, 2020 do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, and (ii) the condensed interim consolidated financial statements for the nine months ended September 30, 2020 fairly present in all material respects the financial condition, results of operations and cash flow of the Company.

In contrast to the certificate required for non-venture issuers under National Instrument 52-109 – Certification of Disclosure in Issuers' Annual and Interim Filings ("NI 52-109"), the Venture Issuer Basic Certificate does not include representations relating to the establishment and maintenance of disclosure controls and procedures ("DC&P") and internal control over financial reporting ("ICFR"), as defined in NI 52-109. In particular, the certifying officers filing the certificate are not making any representations relating to the establishment and maintenance of:

1. Controls and other procedures designed to provide reasonable assurance that information required to be disclosed by the issuer in its annual filings, interim filings or other reports filed or submitted under securities legislation is recorded, processed, summarized and reported within the time periods specified in securities legislation; and

2. A process to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with the issuer's generally accepted accounting principles.

The issuer's certifying officers are responsible for ensuring that processes are in place to provide them with sufficient knowledge to support the representations they are making in the certificate. Investors should be aware that inherent limitations on the ability of certifying officers of a venture issuer to design and implement on a cost-effective basis DC&P and ICFR as defined in NI 52-109 may result in additional risks to the quality, reliability, transparency and timeliness of interim and annual filings and other reports provided under securities legislation.

Approval

The Board of Directors of Bluestone has approved the disclosure contained in this MD&A on November 17, 2020. A copy of this MD&A will be provided to anyone who requests it.

Additional Information

Additional Information relating to Bluestone is on SEDAR at www.sedar.com or can be obtained by contacting:

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