



1020 - 800 West Pender Street  
Vancouver, British Columbia V6C 2V6  
Phone: 604-646-4534  
Fax: 604-646-4526

---

## **Management Information Circular**

**Dated this 22<sup>nd</sup> day of April 2019**

## 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 Feasibility Study which is available at [www.sedar.com](http://www.sedar.com). The Company trades under the symbol "BSR" on the TSX Venture Exchange and "BBSRF" on the OTCQB.

## Table of Contents

Notice of Annual General and Special Meeting of Shareholders .....	iii
General Information .....	1
Voting Information.....	1
Business of Meeting.....	4
Corporate Governance Practices .....	9
Compensation Discussion and Analysis .....	12
Audit Committee.....	21
Interest of Informed Persons in Material Transactions.....	23
Particulars of Other Matters to be Acted Upon.....	24
Additional Information.....	24
Schedule "A" – Board Charter.....	25
Schedule "B" – Audit Committee Mandate .....	31

**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, May 24, 2019** at Suite 2600, 595 Burrard 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, 2018, with the report of the auditors therein;
2. elect eight 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. consider and, if thought fit, pass an ordinary resolution to ratify, confirm, and approve the Company’s Stock Option Plan as described in the Information Circular; 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 April 22, 2019, 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 May 22, 2019, 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](mailto:info@bluestonerresources.ca).

Dated at Vancouver, British Columbia this 22<sup>nd</sup> day of April 2019.

**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 April 22, 2019 (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, 2018 was CAD\$1.00 = US\$0.733.

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 81,791,881 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:

<b>Name and Address</b>	<b>Number of Shares</b>	<b>Percentage of Outstanding Common Shares</b>
Zebra Holdings and Investment SARL <sup>1</sup>	17,976,262	21.9%
Lorito Holdings SARL <sup>1</sup>	9,501,959	11.6%
CD Capital Natural Resources Fund LLP	11,986,333	14.6%

(1) Two companies controlled by a trust settled by the late Adolf H. Lundin, as such joint actors. Collectively, these companies hold and control 27,478,221 common shares or approximately 33.9% 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](http://www.sedi.ca) and [www.sedar.com](http://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, May, 24, 2019** 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 **April 22, 2019** 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., 8<sup>th</sup> 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](http://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, 2018 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, 2018 are available upon request from the Company or they can be found on SEDAR at [www.sedar.com](http://www.sedar.com) or on the Company's website at [www.bluestonerresources.ca](http://www.bluestonerresources.ca).

### 2. Election of Directors

The Board has set the number of Directors at eight. Mr. James Beck is nominated for election to the Board for the first time. All of the eight nominated Directors have confirmed their willingness to serve on Bluestone's Board. 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 are:

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

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 6.

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 10<sup>th</sup> 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](mailto: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.

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. Ratification, Confirmation, and Approval of 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 ratify, confirm, and approve the Stock Option Plan as disclosed in the Information Circular. The 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. Details regarding the Stock Option Plan are described under the heading *Equity Compensation Plan Information*.

#### **Resolution to Ratify, Confirm, and Approve Stock Option Plan**

At the Meeting, shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to ratify, confirm, and approve the 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 December 7, 2018;
- C. 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 disclosed in this Circular, be and is hereby ratified, confirmed, and approved."

If continuation of the 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 ratify, confirm, and approve the continuation 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 April 22, 2019, unless otherwise indicated, and has been furnished by the respective nominees and from information available on SEDI at [www.sedi.com](http://www.sedi.com).

<p><b>JAMES BECK</b> British Columbia, Canada Proposed New Director <b>Other Public Company Directorships:</b> None <b>Bluestone Common Shares held:</b> 0</p>	<p>VP Corporate Development and Projects of Filo Mining Corp. and NGEEx Resources since February 2017; Director, Corporate Development of NGEEx Resources since January 2014; Director, Corporate Development of Lundin Mining Corporation December 2009 to December 2013</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr style="background-color: #e6f2ff;"> <th colspan="3">Meetings Attended in 2018</th> </tr> <tr> <td style="width: 70%;">Board</td> <td style="width: 15%;">N/A</td> <td style="width: 15%;">N/A</td> </tr> <tr style="background-color: #e6f2ff;"> <th colspan="3">Committee Meetings Attended</th> </tr> <tr> <td>N/A</td> <td>N/A</td> <td>N/A</td> </tr> </table>	Meetings Attended in 2018			Board	N/A	N/A	Committee Meetings Attended			N/A	N/A	N/A						
Meetings Attended in 2018																			
Board	N/A	N/A																	
Committee Meetings Attended																			
N/A	N/A	N/A																	
<p><b>ZARA BOLDT</b> British Columbia, Canada Independent Director since October 2017 <b>Other Public Company Directorships:</b> Gold Standard Ventures Corp. <b>Bluestone Common Shares held:</b> 50,000</p>	<p>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</p> <table border="1" style="width: 100%; border-collapse: collapse;"> <tr style="background-color: #e6f2ff;"> <th colspan="3">Meetings Attended in 2018</th> </tr> <tr> <td style="width: 70%;">Board</td> <td style="width: 15%;">8 of 8</td> <td style="width: 15%;">100%</td> </tr> <tr style="background-color: #e6f2ff;"> <th colspan="3">Committee Meetings Attended</th> </tr> <tr> <td>Audit Committee</td> <td>4 of 4</td> <td>100%</td> </tr> <tr> <td>Compensation Committee</td> <td>4 of 4</td> <td>100%</td> </tr> <tr> <td>CGN Committee</td> <td>5 of 5</td> <td>100%</td> </tr> </table>	Meetings Attended in 2018			Board	8 of 8	100%	Committee Meetings Attended			Audit Committee	4 of 4	100%	Compensation Committee	4 of 4	100%	CGN Committee	5 of 5	100%
Meetings Attended in 2018																			
Board	8 of 8	100%																	
Committee Meetings Attended																			
Audit Committee	4 of 4	100%																	
Compensation Committee	4 of 4	100%																	
CGN Committee	5 of 5	100%																	

**MANAGEMENT INFORMATION CIRCULAR**

<p><b>LEO HATHAWAY</b> British Columbia, Canada Independent Director since February 2017 <b>Other Public Company Directorships:</b> None <b>Bluestone Common Shares held:</b> 216,666</p>	<p>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</p> <table border="1" data-bbox="711 310 1448 541"> <thead> <tr> <th colspan="3" style="text-align: left;"><b>Meetings Attended in 2018</b></th> </tr> </thead> <tbody> <tr> <td>Board</td> <td style="text-align: center;">7 of 8</td> <td style="text-align: center;">88%</td> </tr> <tr> <th colspan="3" style="text-align: left;"><b>Committee Meetings Attended</b></th> </tr> <tr> <td>Audit Committee</td> <td style="text-align: center;">4 of 4</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Technical Committee</td> <td style="text-align: center;">5 of 5</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>	<b>Meetings Attended in 2018</b>			Board	7 of 8	88%	<b>Committee Meetings Attended</b>			Audit Committee	4 of 4	100%	Technical Committee	5 of 5	100%			
<b>Meetings Attended in 2018</b>																			
Board	7 of 8	88%																	
<b>Committee Meetings Attended</b>																			
Audit Committee	4 of 4	100%																	
Technical Committee	5 of 5	100%																	
<p><b>DARREN KLINCK</b> British Columbia, Canada Executive Director since August 2017 <b>Other Public Company Directorships:</b> None <b>Bluestone Common Shares held:</b> 305,177</p>	<p>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</p> <table border="1" data-bbox="711 646 1448 877"> <thead> <tr> <th colspan="3" style="text-align: left;"><b>Meetings Attended in 2018</b></th> </tr> </thead> <tbody> <tr> <td>Board</td> <td style="text-align: center;">7 of 8</td> <td style="text-align: center;">88%</td> </tr> <tr> <th colspan="3" style="text-align: left;"><b>Committee Meetings Attended</b></th> </tr> <tr> <td>HSS Committee</td> <td style="text-align: center;">4 of 4</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Technical Committee</td> <td style="text-align: center;">5 of 5</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>	<b>Meetings Attended in 2018</b>			Board	7 of 8	88%	<b>Committee Meetings Attended</b>			HSS Committee	4 of 4	100%	Technical Committee	5 of 5	100%			
<b>Meetings Attended in 2018</b>																			
Board	7 of 8	88%																	
<b>Committee Meetings Attended</b>																			
HSS Committee	4 of 4	100%																	
Technical Committee	5 of 5	100%																	
<p><b>WILLIAM LAMB</b> British Columbia, Canada Independent Director since October 2017 and Lead Director since March 2018 <b>Other Public Company Directorships:</b> Riley Resources Corp. <b>Bluestone Common Shares held:</b> 0</p>	<p>Executive Chairman at Riley Resources Corp. since September 2018; President, CEO and director of Lucara Diamond Corp. May 2011 to February 2018</p> <table border="1" data-bbox="711 982 1448 1213"> <thead> <tr> <th colspan="3" style="text-align: left;"><b>Meetings Attended in 2018</b></th> </tr> </thead> <tbody> <tr> <td>Board</td> <td style="text-align: center;">8 of 8</td> <td style="text-align: center;">100%</td> </tr> <tr> <th colspan="3" style="text-align: left;"><b>Committee Meetings Attended</b></th> </tr> <tr> <td>Compensation Committee</td> <td style="text-align: center;">4 of 4</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>HSS Committee</td> <td style="text-align: center;">4 of 4</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>	<b>Meetings Attended in 2018</b>			Board	8 of 8	100%	<b>Committee Meetings Attended</b>			Compensation Committee	4 of 4	100%	HSS Committee	4 of 4	100%			
<b>Meetings Attended in 2018</b>																			
Board	8 of 8	100%																	
<b>Committee Meetings Attended</b>																			
Compensation Committee	4 of 4	100%																	
HSS Committee	4 of 4	100%																	
<p><b>PAUL McRAE</b> Quarteira, Portugal Independent Director since October 2017 <b>Other Public Company Directorships:</b> Filo Mining Corp. Lundin Gold Inc. Ecuador <b>Bluestone Common Shares held:</b> 0</p>	<p>Director of public companies since December 2014; Senior Vice President, Projects of Lundin Mining Corporation January 2012 to December 2018</p> <table border="1" data-bbox="711 1318 1448 1570"> <thead> <tr> <th colspan="3" style="text-align: left;"><b>Meetings Attended in 2018</b></th> </tr> </thead> <tbody> <tr> <td>Board</td> <td style="text-align: center;">8 of 8</td> <td style="text-align: center;">100%</td> </tr> <tr> <th colspan="3" style="text-align: left;"><b>Committee Meetings Attended</b></th> </tr> <tr> <td>CGN Committee<sup>(1)</sup></td> <td style="text-align: center;">1 of 1</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>HSS Committee</td> <td style="text-align: center;">4 of 4</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Technical Committee</td> <td style="text-align: center;">5 of 5</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>	<b>Meetings Attended in 2018</b>			Board	8 of 8	100%	<b>Committee Meetings Attended</b>			CGN Committee <sup>(1)</sup>	1 of 1	100%	HSS Committee	4 of 4	100%	Technical Committee	5 of 5	100%
<b>Meetings Attended in 2018</b>																			
Board	8 of 8	100%																	
<b>Committee Meetings Attended</b>																			
CGN Committee <sup>(1)</sup>	1 of 1	100%																	
HSS Committee	4 of 4	100%																	
Technical Committee	5 of 5	100%																	
<p><sup>(1)</sup>Only one CGN Committee meeting was held after the date Mr. McRae was appointed to the CGN Committee.</p>																			
<p><b>JIM PATERSON</b> South Carolina, USA Independent Director since 2011 <b>Other Public Company Directorships:</b> ValOre Metals Corp. <b>Bluestone Common Shares held:</b> 635,350</p>	<p>CEO since 2010 and a director since March 2008 of ValOre Metals Corp. (previously named Kivalliq Energy Corporation)</p> <table border="1" data-bbox="711 1696 1448 1936"> <thead> <tr> <th colspan="3" style="text-align: left;"><b>Meetings Attended in 2018</b></th> </tr> </thead> <tbody> <tr> <td>Board</td> <td style="text-align: center;">8 of 8</td> <td style="text-align: center;">100%</td> </tr> <tr> <th colspan="3" style="text-align: left;"><b>Committee Meetings Attended</b></th> </tr> <tr> <td>Audit Committee</td> <td style="text-align: center;">4 of 4</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>Compensation Committee</td> <td style="text-align: center;">4 of 4</td> <td style="text-align: center;">100%</td> </tr> <tr> <td>CGN Committee</td> <td style="text-align: center;">5 of 5</td> <td style="text-align: center;">100%</td> </tr> </tbody> </table>	<b>Meetings Attended in 2018</b>			Board	8 of 8	100%	<b>Committee Meetings Attended</b>			Audit Committee	4 of 4	100%	Compensation Committee	4 of 4	100%	CGN Committee	5 of 5	100%
<b>Meetings Attended in 2018</b>																			
Board	8 of 8	100%																	
<b>Committee Meetings Attended</b>																			
Audit Committee	4 of 4	100%																	
Compensation Committee	4 of 4	100%																	
CGN Committee	5 of 5	100%																	

<b>JOHN ROBINS</b> British Columbia, Canada Board Executive Chair Director since 2008 <b>Other Public Company Directorships:</b> Fireweed Zinc Ltd. K2 Gold Corporation <b>Bluestone Common Shares held:</b> 3,987,812	Self-employed professional geologist since 1984		
	<b>Meetings Attended in 2018</b>		
	Board	7 of 8	88%
	<b>Committee Meetings Attended</b>		
	HSS Committee	4 of 4	100%
	Technical Committee	5 of 5	100%

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

## 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 2018, there were eight 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, 2018 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 (14.3%) 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 three 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, 2018 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, 2018 were Darren Klinck, President and CEO effective August 1, 2017; Peter Hemstead, CFO effective May 1, 2017; and Jeff Reinson, VP Project Development effective January 2, 2018.

For 2018, annual compensation for Directors who are not NEOs consisted of the following elements:

Director Fees	Annual \$
Cash retainer – Member	36,000
Lead Director retainer	25,000
Audit Committee Chair	10,000
Other Board Committee Chairs	5,000

Particulars of compensation, excluding compensation securities, for 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	Salary, consulting fee, retainer, or commission (\$)	Bonus (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Total compensation (\$)
John Robins <sup>(1)</sup> , Executive Chairman; Director	2018	180,000	121,500	Nil	Nil	301,500
	2017	414,000	243,000	Nil	Nil	657,000
Darren Klinck, CEO; Director	2018	325,000	219,375	Nil	Nil	544,375
	2017	135,417	91,406	Nil	Nil	226,823
Peter Hemstead, CFO	2018	225,000	155,250	Nil	Nil	380,250
	2017	150,865	101,250	Nil	Nil	252,115
Zara Boldt, Director	2018	36,000	Nil	10,000	Nil	46,000
	2017	6,000	Nil	1,667	Nil	7,667
Leo Hathaway, Director	2018	36,000	Nil	5,000	Nil	41,000
	2017	24,000	Nil	3,333	Nil	27,333
William Lamb, Director	2018	55,792	Nil	5,000	Nil	60,792
	2017	6,000	Nil	833	Nil	6,833
Paul McRae, Director	2018	36,000	Nil	Nil	Nil	36,000
	2017	6,000	Nil	Nil	Nil	6,000
James Paterson, Director	2018	36,000	Nil	5,000	Nil	41,000
	2017	61,500	Nil	3,333	Nil	64,833
Jeff Reinson <sup>(2)</sup> , VP Project Development	2018	224,279	125,000 <sup>(2)</sup>	Nil	Nil	502,167
	2017	N/A	152,888 <sup>(2)</sup>	N/A	N/A	N/A
Keith Peck <sup>(3)</sup> , Director	2018	33,692	Nil	4,680	Nil	38,372
	2017	24,000	Nil	5,833	Nil	29,833

(1) John Robins was President and CEO with an annual salary of \$360,000 until July 31, 2017.

(2) Jeff Reinson was appointed as VP Project Development on January 2, 2018. He was paid \$125,000 upon starting with the Company and received \$152,888 performance bonus for 2018.

(3) Keith Peck was a director until December 7, 2018.



### Stock Options and Other Compensation Securities

Compensation securities granted or issued to each NEO and Director in 2018 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 <sup>(1)</sup>	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	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Darren Klinck, CEO; Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Peter Hemstead, CFO	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Zara Boldt, Director	Stock option <sup>(2)</sup>	100,000 (0.2%) 100,000 underlying common shares	2018-01-02	\$1.50	\$1.16	\$1.20	2021-01-02
Leo Hathaway, Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
William Lamb, Director	Stock option <sup>(2)</sup>	100,000 (0.2%) 100,000 underlying common shares	2018-01-02	\$1.50	\$1.16	\$1.20	2021-01-02
Paul McRae, Director	Stock option <sup>(2)</sup>	100,000 (0.2%) 100,000 underlying common shares	2018-01-02	\$1.50	\$1.16	\$1.20	2021-01-02
James Paterson, Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Keith Peck <sup>(3)</sup> , Past Director	N/A	Nil	N/A	N/A	N/A	N/A	N/A
Jeff Reinson, VP Project Development	Stock option <sup>(2)</sup>	275,000 (0.4%) 275,000 underlying Common shares	2018-01-02	\$1.50	\$1.16	\$1.20	2021-01-02

- (1) Percentage of class is based on 63,815,560 issued and outstanding common shares as at December 31, 2018.
- (2) Stock options vest 25% every six months from date of grant until they are fully vested after two years.
- (3) Keith Peck was a director until December 7, 2018.

No compensation securities were exercised in 2018 by the NEOs and Directors. At December 31, 2018 the Company's NEOs and Directors held a total of 4,200,000 stock options.

### 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 December 7, 2018.

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 Stock Option Plan** and **Equity Compensation Plan Information**.

### Employment, Consulting, and Management Agreements

The material terms of the 2018 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.
- Jeff Reinson, VP Project Development, began his employment on January 2, 2018 at a salary of \$225,000.

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	12 months’ current salary plus 1 month’s salary for each completed year of employment to maximum of 18 months’ payment of salary for CEO and CFO; 6 months’ current salary for VP Project Development	24 months’ current salary for CEO and CFO; 12 months’ current salary for VP Project Development
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	Amount equal to annual average of bonuses actually paid to employee over the last 3 years with the Company, or the average of bonuses paid to employee since the start of employment with the Company, or 9 months’ current employee salary
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 for CEO and CFO; continue for 6 months for VP Project Development	Continue for 12 months

The following table presents the estimated total change of control and termination benefits of its 2018 NEOs, assuming the separation event occurred on December 31, 2018, including any amounts attributable to option benefits using the TSXV closing price of \$1.20 as at December 31, 2018.

Named Executive Officer	Separation Event			Change of Control \$
	Resignation \$	Termination with Cause \$	Termination without Cause \$	
Darren Klinck	\$219,375	Nil	578,035	844,612
Peter Hemstead	\$155,250	Nil	405,576	610,139
Jeff Reinson	\$152,888	Nil	267,784	382,680

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.

### Compensation Philosophy and Objectives

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 (base salary and short-term incentive bonus) and equity (stock options) with short term incentive and stock option combined components being more heavily weighted than base salary. The Company looks to target the median of the relevant peer group from a Total Compensation perspective, keeping the compensation mix philosophy in mind, when establishing compensation structures for the NEOs.

### Comparator Group

While the Board considers amounts paid by other companies in similar industries at similar stages of development in determining compensation, using published mining industry compensation reports, it has also adopted the following performance peer group in May of 2018.

IDM Mining Ltd.	Goldquest Mining Corp.	Vista Gold Corp.
Aura Minerals Inc.	Orca Gold Inc.	Red Eagle Mining Corporation
Almaden Minerals Ltd.	K92 Mining Inc.	Superior Gold Inc.
Nighthawk Gold Corp.	Pure Gold Mining Inc.	Orezone Gold Corporation
Falco Resources Ltd.	Belo Sun Mining Corp.	Midas Gold Corp.

The Compensation Committee will review the performance peer group on an annual basis to ensure that it is relevant to the Company's growth.

### Compensation Elements

The compensation of the NEOs consists of three main components: base salary, short-term incentive compensation (discretionary annual cash bonuses) ("STIP"), and long-term incentives, currently in the form of stock options ("LTIP"). The following discussion describes the components of compensation and discusses how each component relates to the Company's overall executive compensation objective.

The Company has not established at this time any pension plans or deferred compensation plans for directors and executive officers that provide for payments or benefits at, following, or in connection with retirement.

### Base Salary

The 2018 base salaries for each NEO at December 31, 2018 were as follows:

Name and Principal Position	2018 Base Salary \$
Darren Klinck, President and Chief Executive Officer	325,000
Peter Hemstead, Chief Financial Officer	225,000
Jeff Reinson, Vice President Project Development	225,000

### Short-term Incentive

Short-term incentive awards were granted to NEOs in 2018 based on the Compensation Committee's assessment of the Company's performance for the year against the 2018 Corporate Objectives, as well as the NEO performance against pre-determined individual objectives, and are disclosed in the **Table of Compensation Excluding Compensation Securities**, above.

In determining to award performance bonuses, including the amounts thereof, the Bluestone Board uses its discretion and takes into consideration Bluestone's annual achievements, with quantifiable weights or goals in respect of particular achievements and corporate milestones.

Achieving predetermined individual and/or corporate targets and objectives, as well as general performance in day-to-day corporate activities, will trigger the award of a bonus payment to the NEOs. The NEOs will receive a partial or full incentive payment depending on the number of the predetermined targets met and the Compensation Committee's assessment of overall performance. The determination as to whether a target has been met is ultimately made by the Bluestone Board.

The Bluestone Board will reserve the right to make positive or negative adjustments to any bonus payment if considered appropriate.

### Long-term Incentive

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).

## Corporate Objectives

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, against pre-determined Corporate Objectives, weighted for 2018 as follows:

- 40% Operations
- 15% Health, Safety, and Environmental
- 15% Financial
- 25% Sustainability and Stakeholder Relations
- 5% Share Price Performance

## 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, 2018 and at the date of this Circular, April 22, 2019.

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 <sup>(1)</sup>
Plan, at December 31, 2018	5,930,000	1.50	454,056
Plan, at the date of this Information Circular	7,835,000	1.43	384,188

(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 April 22, 2019, there are 7,835,000 common shares of the 81,791,881 outstanding common shares which may be granted on the exercise of stock options, representing approximately 95% of the available Option Limit. As such, as at April 22, 2019, the Company can grant stock options that, on exercise, will result in 384,188 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, 2018, stock options totaling 5,930,000 common shares on exercise of the options had been granted under the Plan, representing approximately 7.3% of the issued and outstanding common shares of the Company and representing approximately 73% of the available Option Limit. Of the total 73% of options granted, 5,250,000 total options have been granted to Directors and insiders of the Company, representing approximately 8.2% of the total outstanding shares as at December 31, 2018.

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. Presently, all stock options granted pursuant to the plan have a term of five years or less.

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.

### Indebtedness of Directors and Executive Officers

Set out below is the aggregate outstanding indebtedness of the Company’s directors and executive officers as at April 22, 2019 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	\$614,583	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 2018 (\$)	Amount Outstanding as at April 22, 2019 (\$)	Financially Assisted Securities Purchased during 2018	Security for Indebtedness	Amount Forgiven During Most Recently Completed Financial Year (\$)
<b>Securities Purchase Programs</b>						
Darren Klinck President, CEO and Director	Lender	266,319	121,875	Nil	216,667 common shares	Nil
Peter Hemstead, CFO	Lender	184,375	84,375	Nil	150,000 common shares	Nil
David Gunning, VP Operations	Lender	163,889	75,000	Nil	133,333 common shares	Nil
<b>Other Programs</b>						
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. Boldt currently serves as CFO and Corporate Secretary of Lucara Diamond Corporation. She is a professional accountant (CPA, CGA) who has spent the majority of her career in progressively senior financial leadership roles within public companies in the mineral exploration and development industry.



Most recently, Ms. Boldt served as the CFO & Corporate Secretary for Strongbow Exploration Inc. In addition, she served as the CFO and Corporate Secretary of 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 CDN\$520 million. Prior to Kaminak, Ms. Boldt served for eight years as the Vice-President, Finance and Chief Financial Officer for Stornoway Diamond Corporation, where she was a member of the senior management team responsible for arranging financing in excess of CDN\$900 million for the development of the Renard Diamond Mine in Quebec. Ms. Boldt is a director and Chair of the Audit Committee for Bluestone Resources Inc. and Gold Standard Ventures Corp.

***Leo Hathaway, Director***

Mr. Hathaway is a geologist with extensive experience in the exploration and mining sector from grassroots to feasibility and development stage projects. Mr. Hathaway currently serves as Senior Vice President Exploration of Luminex Resources Corp. and Lumina Gold Corp. Since 2004, Mr. Hathaway was the former Chief Geological Officer for Lumina Copper Corp and the former VP Exploration for Northern Peru Copper Corp, Regalito Copper Corp, Global Copper Corp and Lumina Resources Corp., as well as a former partner at Lumina Capital LP. Prior to 2004, Mr. Hathaway worked for Inmet Mining Corporation in Europe, Australia, Central and South America. Mr. Hathaway holds a B.Sc. (Hons) degree in Applied Geology from the University of Plymouth, a M.Sc. in Mineral Exploration from the University of London and obtained a P.Geo. from the Association of Professional Geoscientists of Ontario in 2004. Mr. Hathaway'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.

***Jim Paterson, Director***

Mr. Paterson is the Chief Executive Officer of ValOre Metals Corp. (previously named Kivalliq Energy Corporation). 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 initial public offerings. Since January 2010 Mr. Paterson has been involved as an executive or as an active director of companies which have raised in excess of \$150 million in equity financings. Mr. Paterson founded, was President and Chief Executive Officer, and a director of Corsa Capital Ltd., a company which acquired and capitalized coal mining assets in the USA. Mr. Paterson serves as a director of ValOre Metals Corp., a mineral exploration company listed on the Exchange. 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.

---

**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, 2018	Year ended Dec 31, 2017
Audit fees <sup>(1)</sup>	\$ 78,000	\$ 62,500
Audit-related fees <sup>(2)</sup>	1,560	2,498
Tax fees <sup>(3)</sup>	--	--
All other fees <sup>(4)</sup>	--	183,200
<b>Total</b>	<b>\$ 79,560</b>	<b>\$ 248,198</b>

- (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 are fees billed by the auditor for professional services rendered for tax compliance, tax advice, and tax planning.
- (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, 2018.

**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 officer 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](http://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](mailto:info@bluestonerresources.ca)

Financial information at December 31, 2018 is provided in the Company's audited annual consolidated financial statements and MD&A, filed on SEDAR.

**DATED April 22, 2019**

***"Darren Klinck"***

**Darren Klinck  
President, Chief Executive Officer, and Director**

## 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