



Bluestone Resources Inc.  
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Vancouver, British Columbia V6C 3E8  
Phone: 604-757-4715  
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## **Management Information Circular**

**Dated this 24<sup>th</sup> day of March 2023**

## Who We Are

Bluestone Resources is a Canadian-based precious metals exploration and development company focused on opportunities in Guatemala. The Company's flagship asset is the Cerro Blanco Gold Project, a near surface mine development project located in Southern Guatemala in the department of Jutiapa. The Company released the results of a Feasibility Study for the Project on April 6, 2022, outlining an asset capable of producing over 300 koz/yr at head grades of +2.0 g/t gold. The Project is estimated to produce 2.6 million ounces of gold over the life of mine at an all-in sustaining cost<sup>1</sup> of \$629/oz (as defined per World Gold Council guidelines, less corporate general and administration costs) over an initial 14-year mine life. 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.

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### <sup>1</sup> Non-GAAP Measures

The Company has included certain non-Generally Accepted Accounting Principles ("GAAP") measures in this Circular that are not defined under IFRS, including AISC per payable ounce of gold sold and per tonne processed. Non-GAAP measures do not have any standardized meaning prescribed under IFRS and, therefore, they may not be comparable to similar measures employed by other companies. The Company believes that these measures, in addition to measures prepared in accordance with GAAP, provide investors an improved ability to evaluate the underlying performance of the Company and to compare it to information reported by other companies. The non-GAAP measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with GAAP. These measures do not have any standardized meaning prescribed under GAAP, and therefore may not be comparable to similar measures presented by other issuers.

#### All-in sustaining costs

The Company believes that AISC more fully defines the total costs associated with producing gold. The Company calculates AISC as the sum of refining costs, third party royalties, site operating costs, sustaining capital costs, and closure capital costs all divided by the gold ounces sold to arrive at a per ounce amount. Other companies may calculate this measure differently as a result of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus non-sustaining capital.

#### AISC Reconciliation

AISC are calculated based on the definitions published by the World Gold Council ("WGC") (a market development organization for the gold industry comprised of and funded by 18 gold mining companies from around the world). The WGC is not a regulatory organization.



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## Notice of Annual General Meeting of Shareholders

**NOTICE IS HEREBY GIVEN** that the annual general meeting (the “**Meeting**”) of the shareholders of Bluestone Resources Inc. (the “**Company**” or “**Bluestone**”) will be held at **1:00 p.m. (Pacific Time) on Wednesday, May 3, 2023**, at Suite 2000, 885 West Georgia Street, Vancouver, British Columbia.

**The purpose of the Meeting will be to:**

1. receive and consider the audited annual consolidated financial statements of the Company for the fiscal period ended December 31, 2022, with the report of the auditors therein;
2. elect six directors and fix their terms of office;
3. appoint PricewaterhouseCoopers 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 of disinterested shareholders to ratify, confirm, and approve the Company’s amended 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 March 24, 2023, the record date for the Meeting which was fixed by resolution of the Board of Directors of the Company.

**Impact of COVID-19**

The Company is carefully monitoring developments related to the COVID-19 pandemic and our first priority is the health and safety of our communities, shareholders, employees, and other stakeholders. To mitigate risk and to comply with any recommendations, orders, safety measures and protocols related to COVID-19, shareholders are encouraged to vote their proxy by mail, internet, or telephone and to listen to the live Meeting via conference call using the dial-in number below. 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 1:00 p.m. (Pacific Time) on May 1, 2023, 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. The Company is providing the dial-in number to the Meeting so that shareholders or proxyholders can listen to the live Meeting. Shareholders listening to the live Meeting will only be entitled to vote by proxy and will only be counted in quorum if they send their proxies to the Company, as described above. The dial-in number for the live Meeting is an accommodation for shareholders and proxyholders who wish to hear the live Meeting without attending in person because of COVID-19.

If any shareholder does wish to attend the Meeting in person, please contact **Penny Johnson** at [info@bluestonerresources.ca](mailto:info@bluestonerresources.ca) in order for Bluestone to determine whether arrangements can be made that comply with all recommendations, regulations, and orders related to the COVID-19 pandemic in effect at the time of the Meeting. No shareholder who is experiencing any symptoms of COVID-19, including fever, cough, or difficulty breathing will be permitted to attend the Meeting in person.

The Company may take additional precautionary measures in relation to the Meeting as necessary in response to further developments related to the COVID-19 pandemic and shall comply with all applicable



health and safety recommendations, regulations, and orders related thereto. In the event it is not possible or advisable to hold the Meeting in person, the Company will announce alternative arrangements for the Meeting as promptly as practicable, which may include holding the Meeting entirely by electronic means.

Shareholders may use the following information to listen to the Meeting via conference call. Callers will be asked for their name upon dialing into the conference call and to identify whether they are a shareholder.

**Dial-in Number:**               **1-844-398-2986**

**Access Code:**               **817 016 232#**

If you have any questions relating to the Meeting, please contact the Company by calling 604-757-4715 or by email at [info@bluestonerresources.ca](mailto:info@bluestonerresources.ca).

Dated at Vancouver, British Columbia this 24<sup>th</sup> day of March 2023.

**BY ORDER OF THE BOARD OF DIRECTORS**

*“Peter Hemstead”*

**Peter Hemstead**  
**President, Chief Executive Officer, and Director**



Bluestone Resources Inc.  
(the “Company” or “Bluestone”)

2000 - 885 West Georgia Street  
Vancouver, British Columbia V6C 3E8

## MANAGEMENT INFORMATION CIRCULAR

### General Information

Information contained in this Management Information Circular (the “Information Circular” or “Circular”) is as of March 24, 2023 (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, 2022 was CAD\$1.00 = US\$0.7383. This Information Circular has been approved by the board of directors of the Company (the “Board” or “Directors”).

The Company is carefully monitoring developments related to the COVID-19 pandemic and our first priority is the health and safety of our communities, shareholders, employees and other stakeholders. To mitigate risk and to comply with any recommendations, orders, safety measures and protocols related to COVID-19, shareholders are encouraged to vote their proxy by mail, internet, or telephone and to listen to the live Meeting via conference call using the dial-in number below. 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 1:00 p.m. (Pacific Time) on May 1, 2023, 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. The Company is providing the dial-in number to the Meeting so that shareholders or proxyholders can listen to the live Meeting. Shareholders listening to the live Meeting will only be entitled to vote by proxy and will only be counted in quorum if they send their proxies to the Company, as described above. The dial-in number for the live Meeting is an accommodation for shareholders and proxyholders who wish to hear the live Meeting without attending in person because of COVID-19. Shareholders (registered and non-registered) are reminded that there are a number of voting methods available to them in advance of the meeting which are outlined in the "Voting Information" section of this Circular.

All Meeting materials and voting instructions may also be found on the Company's SEDAR profile at [www.sedar.com](http://www.sedar.com), and on the Company's website: <https://bluestonerresources.ca/investors/aggm/>.

If any shareholder does wish to attend the Meeting in person, please contact Penny Johnson at [info@bluestonerresources.ca](mailto:info@bluestonerresources.ca) in order for Bluestone to determine whether arrangements can be made that comply with all recommendations, regulations, and orders related to the COVID-19 pandemic in effect at the time of the Meeting. No shareholder who is experiencing any symptoms of COVID-19, including fever, cough, or difficulty breathing will be permitted to attend the Meeting in person. The Company may take additional precautionary measures in relation to the Meeting as necessary in response to further developments related to the COVID-19 pandemic and shall comply with all applicable health and safety recommendations, regulations, and orders related thereto. In the event it is not possible or advisable to hold the Meeting in person, the Company will announce alternative arrangements for the Meeting as promptly as practicable, which may include holding the Meeting entirely by electronic means.

Shareholders may use the following information to listen to the Meeting via conference call. Callers will be asked for their name upon dialing into the conference call and to identify whether they are a shareholder:

**Dial-in Number:**               **1-844-398-2986**

**Access Code:**                 **817 016 232#**

## Voting Information

The Company is authorized to issue an unlimited number of common shares without par value. On the Record Date 151,288,141 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 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. 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).

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

Name and Address	Number of Shares <sup>(2)</sup>	Percentage of Outstanding Common Shares
Zebra Holdings and Investment SARL <sup>1</sup>	19,540,322	12.92%
Lorito Holdings SARL <sup>1</sup>	141,429	< 1%
Nemesia SARL <sup>1</sup>	20,753,938	13.72%
CD Capital Natural Resources Fund III LLP	16,473,478	10.89%

<sup>(1)</sup> Three companies controlled by a trust settled by the late Adolf H. Lundin, as such joint actors. Collectively, these companies hold and control 40,435,689 common shares or approximately 26.73% of the current issued and outstanding common shares of the Company.

<sup>(2)</sup> This information was supplied to the Company by the above shareholders.

**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 **Wednesday, May 3, 2023**, 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 **March 24, 2023**, 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 or her 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 2000 - 885 West Georgia Street, Vancouver, British Columbia, Canada, V6C 3E8, 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 the Meeting

### 1. Financial Statements

The audited annual consolidated financial statements of the Company for the year ended December 31, 2022, 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, 2022 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 six. All of the six 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	Peter Hemstead
Zara Boldt	William Lamb
Dave Dicaire	Jack Lundin

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

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

### Advance Notice Policy

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

In the case of an annual general meeting of shareholders, notice to the Company must be made not less than 30 nor more than 65 days prior to the date of the annual general meeting; provided, however, that in the event that the annual general meeting is to be held on a date that is less than 50 days after the date on which the first public announcement of the date of the annual general meeting was made, notice may be made not

later than the close of business on the 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

PricewaterhouseCoopers LLP has been Bluestone's independent auditor since August 2019. Upon the recommendation of the Audit Committee, shareholders will be asked to approve the re-appointment of PricewaterhouseCoopers LLP as auditor and also to authorize the Board to set the auditor's remuneration. PricewaterhouseCoopers LLP conducts the annual audit of Bluestone's financial statements and provide audit-related, tax, and other services, and reports to the Audit Committee of the Board.

**The Board recommends that shareholders vote FOR the appointment of PricewaterhouseCoopers 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 PricewaterhouseCoopers 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 Amended Stock Option Plan

The Company's 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. Please see the description of the Stock Option Plan under the headings **Equity Compensation Plan Information** in this Information Circular for a more detailed description of the Stock Option Plan.

The Board approved and recommends shareholders ratify, confirm, and approve the following amendments to the Stock Option Plan (as amended, the "**Amended Plan**"):

1. an amendment to remove subsection 7.2(b)(iii) of the Stock Option Plan (a partial excerpt of Section 7.2 of the Stock Option Plan is provided below); and

#### **" 7.2 Termination of Option.**

An Optionee may exercise an Option in whole or in part at any time or from time to time during the Option Period. Any Option or part thereof not exercised within the Option Period shall terminate and become null, void, and of no further force and effect at 5:00 p.m. local time in Vancouver, British Columbia, on the Expiry Date. Subject to any express resolution of the Board, in its sole discretion, extending or limiting the Expiry Date of an Option, the Expiry Date of an Option shall be the earlier of (i) the Expiry Date fixed by the Board and (ii) the date established, if applicable, in Sections 7.2(a) to (b) below, so long as the Expiry Date complies with Section 7.1(a):

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

in which case the Expiry Date shall be the date the Optionee ceases to be a director of the Company and each vested or unvested Option shall be void and of no further force or effect on such date;

**(b) Ceasing to be Employed.** If the Optionee was granted Options as an Employee, officer, or Consultant of the Company or a subsidiary of the Company and such Optionee ceases to be an Employee, officer or Consultant of the Company or a subsidiary of the Company, any unvested Options shall continue to vest in accordance with the terms of the Option Certificate and will expire on the 90<sup>th</sup> day following the date the Optionee ceases to be an Employee, officer or Consultant, unless the Optionee ceases to be an Employee, officer, or Consultant as a result of:

- (i) termination for Cause; or
- (ii) an order of the Commission, the Exchange, or any regulatory body having jurisdiction to so order;

in which case the Expiry Date of the Options shall be the date the Optionee ceases to be an Employee, officer or Consultant of the Company and each vested or unvested Option shall be void and of no further force or effect on such date;

- (iii) resignation without Good Reason, in which case the Options shall cease to vest and shall be exercisable to the extent that the Options were exercisable on the date that the Optionee ceased to be an officer, Employee or Consultant and the Expiry Date of the Options shall be the 30<sup>th</sup> day following the date the Optionee ceased to be an officer, Employee, or Consultant; ...”

2. certain “housekeeping” amendments to integrate the foregoing amendment into the Amended Plan.

A complete copy of the Amended Plan is attached to this Circular as Schedule “C”.

In accordance with the policies of the TSX Venture Exchange, the approval of the Amended Plan will require disinterested shareholder approval, being the approval of a majority of the votes cast by shareholders at the Meeting excluding votes attaching to securities beneficially owned by Persons (as such term is defined in the policies of the TSX Venture Exchange) that hold or will hold stock options under the Amended Plan, and any Associates and Affiliates thereof (as such terms are defined in the policies of the TSX Venture Exchange). A “Person” means a Company (as such term is defined in the policies of the TSX Venture Exchange) or individual; “Associates” includes an individual's spouse, children and any relative who lives in the same residence as such person; and “Affiliates” means a company that is affiliated with another company.

As of the date of this Circular, Persons that hold or will hold stock options under the Amended Plan, and “Associates” and “Affiliates” thereof that are prohibited from voting on the resolution in respect of the Amended Plan hold an aggregate of 1,953,030 common shares, representing 1.3% of the issued and outstanding common shares of the Company, which shares will be excluded for the purposes of determining whether the Amended Plan is approved.

#### **Resolution to Ratify, Confirm, and Approve the Amended Plan**

At the Meeting, disinterested shareholders will be asked to consider and, if thought fit, pass an ordinary resolution to ratify, confirm and approve the Amended 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 Stock Option Plan up to a maximum of 10% of the issued shares of the Company from time to time; and

- B. the Board of Directors of the Company adopted amendments to the Stock Option Plan (the “**Amended Plan**”), as described in the information circular and as presented in the final form in Schedule “**C**” to the management information circular of the Company dated March 24, 2023 (the “**Circular**”).

BE IT RESOLVED THAT the Amended Plan as disclosed in this Circular, be and is hereby ratified, confirmed, and approved."

If the Amended Plan is not approved at the Meeting, the foregoing amendments will not be implemented and the Plan will remain as currently constituted. In addition, 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 the shareholders vote FOR the resolution to ratify, confirm, and approve the Amended 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 ratify, confirm, and approve the Amended 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 March 24, 2023, 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 Independent Director since May 2019 <b>Other Public Company Directorships:</b> Filo Mining Corp. <b>Bluestone Common Shares Held:</b> 20,500</p>	<p>President and CEO of Filo Mining Corp. since June 2020; President of Filo Mining Corp. from September 2019 to June 2020; VP Corporate Development and Projects of Filo Mining Corp. and NGEx Resources Inc. from February 2017 to August 2019</p> <table border="1"> <thead> <tr> <th colspan="3">Meetings Attended in 2022</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>8 of 8</td> <td>100%</td> </tr> <tr> <th colspan="3">Committee Meetings Attended in 2022</th> </tr> <tr> <td>Audit Committee</td> <td>4 of 4</td> <td>100%</td> </tr> <tr> <td>Compensation Committee</td> <td>3 of 3</td> <td>100%</td> </tr> <tr> <td>HSES Committee</td> <td>3 of 3</td> <td>100%</td> </tr> </tbody> </table>	Meetings Attended in 2022			Board	8 of 8	100%	Committee Meetings Attended in 2022			Audit Committee	4 of 4	100%	Compensation Committee	3 of 3	100%	HSES Committee	3 of 3	100%
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HSES Committee	3 of 3	100%																	
<p><b>ZARA BOLDT</b> London, UK Independent Director since October 2017 <b>Other Public Company Directorships:</b> None <b>Bluestone Common Shares Held:</b> 115,000</p>	<p>CFO and Corporate Secretary of Lucara Diamond Corporation since April 2018</p> <table border="1"> <thead> <tr> <th colspan="3">Meetings Attended in 2022</th> </tr> </thead> <tbody> <tr> <td>Board</td> <td>8 of 8</td> <td>100%</td> </tr> <tr> <th colspan="3">Committee Meetings Attended in 2022</th> </tr> <tr> <td>Audit Committee</td> <td>4 of 4</td> <td>100%</td> </tr> <tr> <td>Compensation Committee</td> <td>3 of 3</td> <td>100%</td> </tr> <tr> <td>CGN Committee</td> <td>2 of 2</td> <td>100%</td> </tr> </tbody> </table>	Meetings Attended in 2022			Board	8 of 8	100%	Committee Meetings Attended in 2022			Audit Committee	4 of 4	100%	Compensation Committee	3 of 3	100%	CGN Committee	2 of 2	100%
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<p><b>DAVE DICAIRE</b> British Columbia, Canada Independent Director since May 2020 <b>Other Public Company Directorships:</b> Lucara Diamond Corp. <b>Bluestone Common Shares Held:</b> 0</p>	Senior VP, Josemaria Project for Lundin Mining Corporation since August 2022; VP Projects and General Manager of Lundin Gold Inc. from 2016 to 2022	
	<b>Meetings Attended in 2022</b>	
	Board	8 of 8 100%
	<b>Committee Meetings Attended in 2022</b>	
	CGN Committee HSES Committee Technical Committee	2 of 2 100% 3 of 3 100% 4 of 4 100%

<p><b>PETER HEMSTEAD</b> British Columbia, Canada Director since December 2022 <b>Other Public Company Directorships:</b> Fireweed Metals Corp. <b>Bluestone Common Shares Held:</b> 507,100</p>	Appointed President and CEO and Director of the Company on December 5, 2022; CFO of the Company from 2017 to 2022	
	<b>Meetings Attended in 2022<sup>(1)</sup></b>	
	Board	8 of 8 100%
	<b>Committee Meetings Attended in 2022<sup>(1)</sup></b>	
	Audit Committee Compensation Committee CGN Committee HSES Committee Technical Committee	4 of 4 100% 3 of 3 100% 2 of 2 100% 3 of 3 100% 4 of 4 100%

<sup>(1)</sup>Peter Hemstead was appointed as Director on December 5, 2022, and served as CFO from 2017 to December 5, 2022. As CFO, Mr. Hemstead attended all Board and Committee Meetings. No Board meetings, Audit Committee meetings, Compensation Committee meetings, CGN Committee meetings, HSES Committee meetings, or Technical Committee meetings were held in 2022 after Mr. Hemstead became a director.

<p><b>WILLIAM LAMB</b> British Columbia, Canada Independent Director since October 2017 <b>Other Public Company Directorships:</b> Axe2 Acquisitions Inc. Riley Resources Corp. <b>Bluestone Common Shares Held:</b> 50,000</p>	Partner and Chief Technical Officer for NewGen Resource Lending Inc., a debt fund focused on small to medium cap opportunities in the mining sector, since May 2021; Chief Executive Officer and director of NDH Mining Corp., from May 2019 to March 2021; Executive Chairman at Riley Resources Corp. since September 2018	
	<b>Meetings Attended in 2022</b>	
	Board	8 of 8 100%
	<b>Committee Meetings Attended in 2022</b>	
	Compensation Committee HSES Committee Technical Committee	3 of 3 100% 3 of 3 100% 4 of 4 100%

<p><b>JACK LUNDIN</b> British Columbia, Canada Executive Director since January 28, 2020 <b>Other Public Company Directorships:</b> Lundin Gold Inc. Lundin Mining Corporation <b>Bluestone Common Shares Held:</b> 1,260,430</p>	President of Lundin Mining Corporation since December 6, 2022; President and CEO of the Company from April 15, 2021, until December 5, 2022; CEO of the Company since January 2020; Project Superintendent for Lundin Gold Inc.'s Fruta del Norte Gold Mine in southern Ecuador from June 2016 to December 2019	
	<b>Meetings Attended in 2022</b>	
	Board	8 of 8 100%
	<b>Committee Meetings Attended in 2022</b>	
HSES Committee	4 of 4 100%	

None of the proposed directors (a) is, as at the date of the information circular, or has been, within 10 years before the date of the information circular, a director, chief executive officer or chief financial officer of any



company that, (i) was subject to a cease trade order, an order similar to a cease trade order, or an order that denied the relevant corporation access to any exemption under securities legislation, in each case in effect for a period of more than 30 consecutive days (each an “**order**”) that was issued while the proposed director was acting in the capacity as director, chief executive officer or chief financial officer; or (ii) was subject to an order that was issued after the proposed director ceased to be a director, chief executive officer or chief financial officer and which resulted from an event that occurred while that person was acting in the capacity as director, chief executive officer or chief financial officer; or (b) is, as at the date of the information circular, or has been within 10 years before the date of the information circular, a director or executive officer of any company (including Bluestone) that, while that person was acting in that capacity, or within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets; or (c) has, within the 10 years before the date of the information circular, become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

### 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.

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) James Beck Leo Hathaway <sup>(1)</sup>
Compensation Committee	James Beck (Chair) Zara Boldt William Lamb
Corporate Governance & Nominations Committee	Zara Boldt (Chair) Leo Hathaway <sup>(1)</sup> Dave Dicaire
Health, Safety, Environment, and Sustainability (“ <b>HSES</b> ”) Committee	Dave Dicaire (Chair) William Lamb James Beck Jack Lundin
Technical Committee	William Lamb (Chair) Dave Dicaire Leo Hathaway <sup>(1)</sup>

<sup>(1)</sup>Leo Hathaway is not standing for re-election at the Meeting.

The HSES Committee assists the Board fulfilling its oversight responsibilities with respect to compliance with applicable environmental, climate change and ESG, health, safety, and human rights legislation, rules and regulations, and adherence to sustainable development standards (the balancing of environmental, social and economic interests) consistent with corporate objectives and accepted stakeholder expectations.

The purpose of the Technical Committee is to provide oversight on behalf of the Board as to the operational performance and operating risks of the Company, regarding those areas where technical understanding is required:

- exploration, permitting, development, construction, operation of mining activities, security, and supply chain management;
- resources and reserves on the Company’s mineral resource properties;

- operating and production plans for proposed and existing operating mines;
- exploration, permitting, development, construction, operation of geothermal project, security, and supply chain management;
- project and operations readiness;
- major commercial commitments; and
- implementing best-in-class property development and operating practices.

The Board establishes a Special Committee of the Board periodically and as necessary for the purpose of reviewing strategic transactions.

## 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

#### Independence

On an annual basis, the CGN Committee assists the Board in 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 independent. The Board has determined that a majority of the Directors nominated are independent. The CEO and President, Peter Hemstead, is an executive officer of the Company, and a non-independent director. Jack Lundin is a former executive officer of the Company and is considered a non-independent director.

#### 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 2022, 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 CGN Committee, also consisting of only independent Directors, were established in 2017; and a Health, Safety, Environment, and Sustainability Committee and a Technical Committee were also established in 2017.

#### 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) online access to a Corporate Governance Manual containing Board and committee mandates, Company policies, position descriptions, a list of key contacts and roles;
- iii) online access to the Board portal containing current updates about the Company and its properties, minutes of recent meetings, and pertinent Board reports; and
- iv) 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 periodically provides education sessions for its Directors, and 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 reimburses the cost of this training and expects 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. Bluestone is a corporate member of the Institute of Corporate Directors which provides continuing education opportunities to directors that help them to perform their roles effectively and make appropriate contributions in the boardroom.

## 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/>. The Audit Committee has the primary authority and responsibility for the oversight of the Code, subject to the supervision of the Board. It reviews the Code on an annual basis and makes recommendations regarding compliance monitoring. Annually, online training sessions on compliance with the Code are conducted through a third-party service provider to enhance understanding and promote compliance with the Code. All employees at the Company's Cerro Blanco project in Guatemala, as well as at the head office of its subsidiary, Elevar Resources S.A., and all of the Company's directors, executive officers, and employees also completed this training. To ensure and monitor compliance with the Code, the Company provides this training to each new employee and to all employees annually, thus providing acknowledgement that they have reviewed the Code and Corporate Governance policies of the Company and their responsibility to review and comply with the Code and Corporate Governance policies of the Company. From January 1, 2022, to the

date of this Information Circular, there were no reports regarding misconduct and/or departures from the Code, and there have been no waivers granted.

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 policy has also been distributed to all Company employees.

Other than as disclosed herein, 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.

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## Climate Change, and Environmental, Social, and Governance (“ESG”)

Bluestone is committed to:

- adopt a mitigation hierarchy approach by seeking to avoid, minimize, and mitigate potential social and environmental impacts and risks when planning, designing, and implementing activities;
- factor climate change considerations into project design;
- evaluate and document any changes to mine design, infrastructure, and operations that could impact important biodiversity, ecosystem services, and natural resource availability as part of a change management process to avoid and/or reduce impacts;
- minimize our use of water, manage impacts on water quality, and engage with stakeholders to identify water challenges and opportunities to implement sustainable solutions to the management of water resources;
- establish adequate and effective water, tailings, and waste rock design and management in a manner that is protective of the environment and society throughout the mine’s life;
- apply disturbance approval procedures to address activities that may lead to the disturbance of sensitive areas that could result in impacts to biodiversity, ecosystem services, and natural resource availability;
- manage our non-hazardous and hazardous waste responsibly; we transport, store, and use cyanide and other reagents in alignment with the International Cyanide Management Code;
- maintain continuous improvement of the environmental management system to improve our environmental performance; and
- plan for mine closure at an early stage in the mine’s life with the aim to achieve long-term environmental stability.

Management continues to increase its focus on ESG and are working to establish targets and means to measure progress on these climate commitments.

The Board recognizes climate change as a potential strategic risk to the Company and implemented climate governance aligned with the recommendations of the *Task Force on Climate-related Financial Disclosures* (“TCFD”). Climate considerations have been integrated into the Company governance and management structure at all levels, beginning with the Board, which has oversight of climate-related risks and issues, and management, whose role is to assess and manage those risks and issues. Climate-related issues and risks have now been integrated into strategic planning processes.

In 2022 the Board implemented a number of changes to enhance its oversight of climate matters. This involved amending its governing charter to explicitly set out the Board’s responsibility for oversight of climate

change risks and charged the Audit Committee and HSES Committee with the responsibility for overseeing the Company’s effective management of climate-related risks and opportunities. The HSES Committee is also responsible for reviewing and monitoring environmental performance, including climate related performance.

Bluestone’s Board members possess a broad range of knowledge and skills, covering mining, environment, strategic planning, risk management, finance, legal and technology, all of which equip them to consider potential implications of climate change on the Company’s business. Given the increasing importance and focus of sustainability matters, the Board enhanced the depth of its competency in sustainability matters generally.

To improve the overall climate literacy at Bluestone, the Company focussed on intensive climate and TCFD education in 2022 with the assistance of an outside expert consultancy firm. In May 2023, directors and management will participate in an interactive workshop to provide them with an understanding of TCFD and the potential impacts of climate change in Guatemala and on the gold sector specifically.

Bluestone’s senior management team is responsible for the management of the Company, which includes managing the risks and opportunities that climate change presents to Bluestone. Given the multi-faceted ways in which climate change could impact our business—from impacts on commodity demand to operating costs to physical impacts on our operations and on host communities—climate change is considered in varying manners across multiple aspects of our business. Risks and opportunities posed by climate change are discussed among our management team. Climate change risks and opportunities are included in Bluestone’s existing risk management framework, which is reviewed, updated and then reported quarterly to the applicable committees of the Board and material risks are discussed at the Board.

Please see Bluestone’s most recent [Sustainability Report](http://www.bluestonerresources.ca) at [www.bluestonerresources.ca](http://www.bluestonerresources.ca).

**Risk Oversight**

The Board oversees the Company’s approach to risk management which is designed to support the achievement of organizational objectives, including strategic objectives, and to improve long-term performance and enhance shareholder value. The Board is responsible for overseeing the Company’s risk identification, management and mitigation strategies, and the risk assessment process. In discharging this responsibility, the Board:

- understands the principal risks of the Company’s business;
- satisfies itself that systems are in place which are designed to effectively monitor and manage those risks;
- reviews the Company’s risk management framework;
- receives reports from management and Board committees with respect to the identification, assessment, and management of existing and new material risks; and
- reviews and discusses with management significant risk exposures and the processes and procedures with respect to risk assessment and risk management.

Each of the Board committees oversees material risks within their functional area and reports to the Board on these matters and associated mitigation strategies on a quarterly basis.

Committee Risk Responsibilities				
Audit	CGN	Compensation	HSES	Technical
Oversees financial reporting, financial compliance, and ethical risks. Oversees cyber security risk exposure.	Oversees compliance and ethical risks, governance/board risk, and leadership development and succession risk.	Oversees compensation related risks.	Oversees risks related to the Company’s operations, including health, safety, environment, and sustainability, including climate change.	Oversees operational performance risks.

## 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 of a report to, and discussion among, the full Board which includes matters concerning the 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); and
- 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 the renewal or replacement of its Directors. The average collective tenure of Bluestone Directors is 3 years.

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).

The CGN Committee has developed a skills matrix to identify and assess the Board's skills and potential gaps. The director nominees have the skills and experience shown in the following matrix.

BOARD OF DIRECTORS EXPERTISE MATRIX Skill/Experience	Number of Directors
<b>Board</b> Prior experience as a board member for a publicly traded company (other than Bluestone).	6
<b>International</b> Prior or current experience working in a publicly listed company or a major organization that has business in one or more international jurisdictions.	6
<b>Mining, Exploration and Operations</b> Experience with a leading mining or resource company with reserves, exploration, metallurgy, and operations expertise.	6
<b>Risk Management</b> Experience in overseeing policies and processes to identify a resource company's principal business risks and to confirm that appropriate systems are in place to mitigate these risks.	6
<b>Media Relations</b> Experience in dealing with the media on matters relating to operations and public relations issues.	4
<b>Operations</b> Experience as a senior operational officer of a publicly listed company or major organization or production or exploration experience with a leading mining or resource company.	4
<b>Human Resources</b> Prior or current experience in executive compensation and the oversight of succession planning, talent planning, and retention programs.	5
<b>Financial Literacy</b> Senior financial officer of a publicly listed company or major organization, or experience in financial accounting and reporting and corporate finance (familiarity with internal financial controls, Canadian or US GAAP and/or IFRS).	4
<b>Corporate Responsibility and Sustainable Development</b> Understanding and experience with corporate responsibility practices and the constituents involved in sustainable development policies.	6
<b>Legal</b> Experience on legal matters with a publicly listed company or major organization including drafting and negotiating contracts, conducting financings, dealing with regulatory bodies on securities, corporate or other regulatory matters, and corporate governance.	5
<b>Managing/Leading Growth/Strategic Planning</b> Experience driving strategic direction and leading growth of an organization.	6
<b>Investment Banking/Mergers &amp; Acquisitions</b> Experience in investment banking, finance, or in major mergers and acquisitions.	5
<b>Government Relations/Social, Economic, Foreign Policy</b> Experience in, or a good understanding of, the workings of governments and public policy, domestically and internationally.	4
<b>Business Judgment</b> Track record of leveraging own experience and wisdom in making sound strategic and operational business decisions, demonstrates business acumen and a mindset for risk oversight.	6
<b>Industry Knowledge</b> Knowledge of the mining industry, market and business imperatives, international regulatory environment, and stakeholder management.	6
<b>Senior Officer</b> Experience working as a senior officer of a publicly listed company or major organization.	6

## Board Leadership and Diversity

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

- the Company is committed to workplace diversity and fostering a culture of inclusion across all aspects of the Company, its operations, and offices;
- 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 (16.6%) and two female executive officers (33.3%). The Board and management recommend no change to the Bluestone Board composition until the Cerro Blanco permit amendment has been approved as a stage-gate to increased activities for the Company. Bluestone recognizes that women are underrepresented on its Board and intends to increase the number of Board members and female Board members as activities ramp up in 2023.

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.

Lane Caputo Compensation Inc., an independent compensation consulting firm, was contracted by the Compensation Committee in 2021 (see page 22) to evaluate compensation of Directors and senior officers of the Company. Using the guidelines provided by Lane Caputo Compensation Inc., the Compensation Committee held meetings in early 2023 to determine the objectives for compensation for 2023 and bonuses for 2022.

## 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, 2022, 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, 2022, were Jack Lundin, President and CEO (until December 5, 2022); Peter Hemstead, CFO (until December 5, 2022), and President and CEO (effective December 5, 2022); Nevin Lau, CFO (effective December 5, 2022); and David Cass, VP Exploration effective December 1, 2017.

For 2022, annual compensation for Directors who are not NEOs consisted of the following elements:

Director Fees	Annual \$
Board Chair	25,000
Cash retainer – Member	36,000
Audit Committee Chair	10,000
Technical 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 <sup>(5)</sup> (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Total compensation (\$)
Jack Lundin <sup>(1)(2)</sup> Director, Former President & CEO	2022	334,574	Nil	Nil	Nil	334,574
	2021	350,000	342,000	Nil	Nil	692,000
Peter Hemstead <sup>(3)</sup> President & CEO, Director, Former CFO	2022	272,035	80,000	Nil	Nil	352,035
	2021	252,500	185,000	Nil	Nil	437,500
Nevin Lau <sup>(4)</sup> CFO	2022	138,138	10,000	Nil	Nil	148,138
	2021	128,000	23,000	Nil	Nil	151,000



TABLE OF COMPENSATION EXCLUDING COMPENSATION SECURITIES						
Name and position	Year	Salary, consulting fee, retainer, or commission (\$)	Bonus <sup>(5)</sup> (\$)	Committee or meeting fees (\$)	Value of perquisites (\$)	Total compensation (\$)
David Cass VP Exploration	2022	225,000	35,000	Nil	Nil	260,000
	2021	220,000	108,000	Nil	Nil	328,000
William Lamb Board Chair	2022	71,833	Nil	Nil	Nil	71,833
	2021	63,786	Nil	Nil	Nil	63,786
James Beck Director	2022	41,833	Nil	Nil	Nil	41,833
	2021	42,667	Nil	Nil	Nil	42,667
Zara Boldt Director	2022	51,833	Nil	Nil	Nil	51,833
	2021	52,667	Nil	Nil	Nil	52,667
Dave Dicaire Director	2022	41,000	Nil	Nil	Nil	41,000
	2021	41,000	Nil	Nil	Nil	41,000
Leo Hathaway Director	2022	37,250	Nil	Nil	Nil	37,250
	2021	38,500	Nil	Nil	Nil	38,500

<sup>(1)</sup> Jack Lundin received no compensation in respect of his role as Director for the two most recently completed financial years.

<sup>(2)</sup> Jack Lundin served as President and CEO of the Company from April 15, 2021, until December 5, 2022. Mr. Lundin was appointed the Company's CEO on January 28, 2020.

<sup>(3)</sup> Peter Hemstead served as CFO of the Company from 2017 until December 5, 2022. Mr. Hemstead was appointed President and CEO and Director on December 5, 2022. Mr. Hemstead received no compensation in respect of his role as Director for the two most recently completed financial years.

<sup>(4)</sup> Nevin Lau served as Corporate Controller of the Company from 2017 until December 5, 2022, and was appointed CFO on December 5, 2022. The amount of \$138,138 reflects the compensation that Mr. Lau received in 2022 for his role as Corporate Controller and CFO.

<sup>(5)</sup> Performance rating of Corporate Objectives was lower for 2022 which reflected in a lower bonus payout.



### Stock Options and Other Compensation Securities

Compensation securities granted or issued to each NEO and Director in 2022 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 <sup>(2)</sup> (\$)	Closing price of security or underlying security on date of grant (\$)	Closing price of security or underlying security at year end (\$)	Expiry date
Jack Lundin <sup>(3)</sup> Director, Former President & CEO	Stock Options	484,000 <1%	March 17/22	1.91	1.92	0.43	Mar 17/27
Peter Hemstead <sup>(4)</sup> President & CEO, Director, Former CFO	Stock Options	271,000 <1%	March 17/22	1.91	1.92	0.43	Mar 17/27
Nevin Lau <sup>(5)</sup> CFO	Stock Options	37,000 <1%	March 17/22	1.91	1.92	0.43	Mar 17/27
David Cass VP Exploration	Stock Options	154,000 <1%	March 17/22	1.91	1.92	0.43	Mar 17/27
William Lamb Director	Stock Options	150,000 <1%	March 17/22	1.91	1.92	0.43	Mar 17/27
James Beck Director	Stock Options	150,000 <1%	March 17/22	1.91	1.92	0.43	Mar 17/27
Zara Boldt Director	Stock Options	150,000 <1%	March 17/22	1.91	1.92	0.43	Mar 17/27
Dave Dicaire Director	Stock Options	150,000 <1%	March 17/22	1.91	1.92	0.43	Mar 17/27
Leo Hathaway Director	Stock Options	150,000 <1%	March 17/22	1.91	1.92	0.43	Mar 17/27

<sup>(1)</sup> Percentage of class is based on 151,236,141 issued and outstanding common shares as at December 31, 2022.

<sup>(2)</sup> Exercise price of the stock options is the closing price of Bluestone shares on the trading day prior to the date of grant.

<sup>(3)</sup> Jack Lundin served as President and CEO of the Company from April 15, 2021, until December 5, 2022. Mr. Lundin was appointed the Company's CEO on January 28, 2020.

<sup>(4)</sup> Peter Hemstead served as CFO of the Company from 2017 until December 5, 2022. Mr. Hemstead was appointed President and CEO and Director on December 5, 2022.

<sup>(5)</sup> Nevin Lau served as Corporate Controller of the Company from 2017 until December 5, 2022, and became CFO on December 5, 2022.

Stock options vest 1/3 upon grant, and every year from date of grant until they are fully vested after two years. Stock options will expire five years after the grant date.

No compensation securities were exercised in 2022 by the NEOs and Directors. As at December 31, 2022, the Company's NEOs and Directors held a total of 5,926,000 stock options.

## Stock Option Plan

The Company has established the Stock Option Plan for Directors, Employees, and Consultants which reserves, for the grant of stock options under the Stock Option 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 Stock Option Plan is required to be approved annually by the Company's shareholders, in accordance with TSX Venture Exchange policy. The Stock Option Plan was last approved by shareholders at the Company's annual general meeting of shareholders held May 18, 2022. The rules of the TSX Venture Exchange provide that the Stock Option Plan must be approved by the shareholders of the Company annually.

In accordance with TSX Venture Exchange policy:

- the term of stock options granted under the Stock Option 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;
- if the stock option rights granted under the Stock Option 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 Stock Option Plan; and
- the Stock Option Plan allows for exercise on a Net Settlement basis (as defined in the Stock Option Plan).

Further particulars of the Stock Option Plan are contained under the headings ***Ratification, Confirmation, and Approval of Amended Stock Option Plan*** and ***Equity Compensation Plan Information***. A complete copy of the Amended Plan is attached to this Circular as Schedule "C".

## Employment, Consulting, and Management Agreements

The NEOs have employment agreements which include provisions covering position, term, duties, employee obligations, compensation (including base salary, bonus, stock options), 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 to NEOs 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 <sup>(1)</sup> (2)  6 months' current salary plus 1 month's salary for each completed year of employment to maximum of 12 months' payment of salary <sup>(3)</sup>	24 months' current salary <sup>(1)</sup>  12 months' current salary <sup>(2)</sup> (3)
Annual Incentive Bonus	Pro-rated bonus payment for months earned	None	Bonus earned over preceding 12 months if not yet paid, and 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
Stock Options	Stock options which were vested upon resignation are exercisable for 90 days	All stock options are immediately forfeited	Options immediately vest and expire the earlier of the scheduled expiry date of the Option and up to one year following the termination date	If the Optionee is terminated by the Company without Cause, or the Optionee terminates his or her employment with the Company for Good Reason, within six months of the date of the Change of Control, all Options vest immediately prior to the Optionee's termination or resignation and will expire on the scheduled Expiry Date
Benefits	Coverage ceases	Coverage ceases	Continue for 12 months <sup>(1)</sup> (2)  Continue for 6 months <sup>(3)</sup>	Continue for 12 months <sup>(1)</sup> (3)  Continue for 6 months <sup>(2)</sup>

<sup>(1)</sup> Compensation for CEO.

<sup>(2)</sup> Compensation for CFO

<sup>(3)</sup> Compensation for VP Exploration.

The following table presents the estimated total change of control and termination benefits of its 2022 NEOs, assuming the separation event occurred on December 31, 2022, including any amounts attributable to option benefits using the TSXV closing price of \$0.43 as at December 31, 2022.

Named Executive Officer	Separation Event			
	Resignation \$	Termination with Cause \$	Termination without Cause \$	Change of Control \$
Peter Hemstead <sup>(1)</sup> , President and CEO	80,000	Nil	593,361	860,111
Nevin Lau <sup>(2)</sup> , CFO	10,000	Nil	266,681	198,716
David Cass, VP Exploration	35,000	Nil	247,440	316,713

<sup>(1)</sup> Peter Hemstead was appointed President and CEO on December 5, 2022.

<sup>(2)</sup> Nevin Lau was appointed CFO on December 5, 2022.

The Board determines Director and NEO 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 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.

### Compensation Consultant

The compensation strategy is determined by the Compensation Committee with assistance from independent consultants and is designed to be competitive with those offered by publicly traded mining companies comparable to the Company in terms of size, assets, production, and region of operation. In 2021, the Compensation Committee engaged Lane Caputo Compensation Inc. to advise on the competitiveness and appropriateness of compensation programs for the CEO, executive officers, and Directors of the Company, including base salaries, retainers and fees, short and long-term incentives, benefits, perquisites, employment and change-of-control provisions for the 2021 and 2022 fiscal years. The Compensation Committee conducts a third-party review of the Company compensation strategy bi-annually and therefore will conduct its next third-party review in 2023.

### Executive Compensation-Related Fees:

The following fees were incurred by the Company to Lane Caputo Compensation Inc. in 2022 and 2021 for compensation-related consulting and advice:

Type of Work	2022 Fees \$	2021 Fees \$
Executive compensation-related fees	Nil	32,000
All other fees	Nil	Nil

## Comparator Group

The peer group has been established by the Compensation Committee with input from its independent compensation consultant, Lane Caputo Compensation Inc., based on size and industry-specific criteria and remained the same for 2021 and 2022. The GGA 2021 Global Mining Compensation Survey (Small Companies) was also referenced in determining compensation for executives. The peer group for 2022 compensation benchmarking purposes included companies which faced similar economic, market, regulatory, and operational challenges.

The Compensation Committee reviews the compensation peer group on an annual basis to assess its relevance to the Company's current size and stage of development.

The Board has also adopted the following share performance peer group for 2022:

Almaden Minerals Ltd.	Liberty Gold Corp.
Artemis Gold Inc.	Marathon Gold Corporation
Bear Creek Mining Corp.	Nighthawk Gold Corp.
Belo Sun Mining Corp.	Osisko Development Corp.
Falco Resources Ltd.	Perpetua (Midas) Gold Corp.
First Mining Gold Corp.	Sabina Gold & Silver Corp.
G Mining Ventures Corp.	Skeena Resources Limited
Integra Resources Corp.	Vista Gold Corp.

The Compensation Committee reviews the performance peer group on an annual basis to assess its relevance to the Company's stage of development.

## Compensation Elements

The compensation of the NEOs consists of three main components: base salary, short-term incentive compensation (discretionary annual cash bonuses), and long-term incentives, currently in the form of stock options. 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.

The Company has adopted an Executive Compensation Recovery Policy, which allows the Board to require reimbursement of excess bonus and equity-based compensation paid or granted to the Chief Executive Officer or the Chief Financial Officer and other officers, at the discretion of the Board, in certain circumstances where the Company is required to restate its financial statements, the executive engaged in fraud or willful misconduct which caused or significantly contributed to the reason for the restatement, and the bonus and equity-based compensation paid to the executive would have been lower had it been based on the restated financial statements.

## Base Salary

The 2022 base salaries for each NEO at December 31, 2022, were as follows:

Name and Principal Position	2022 Base Salary \$
Peter Hemstead <sup>(1)</sup> , CEO	355,000
Nevin Lau <sup>(2)</sup> , CFO	175,000
David Cass, VP Exploration	225,000

<sup>(1)</sup> Peter Hemstead was appointed President and CEO on December 5, 2022.

<sup>(2)</sup> Nevin Lau was appointed CFO on December 5, 2022.

### Short-term Incentive

Short-term incentive awards were granted to NEOs in 2022 based on the Compensation Committee's assessment of the Company's performance for the year against the 2022 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.

The 2022 Short-Term Incentive weights and maximum percentages were as follows:

Principal Position	Percentage Weight (Corporate vs. Individual Objectives)	Maximum Award as a Percentage of Base Salary
CEO <sup>(1)</sup>	78%/23%	87.5%
CEO <sup>(2)</sup>	80%/20%	100%
CFO <sup>(3)</sup>	40%/60%	20%
VP Exploration	70%/30%	50%

<sup>(1)</sup> Peter Hemstead was appointed President and CEO on December 5, 2022.

<sup>(2)</sup> Jack Lundin served as President and CEO until December 5, 2022.

<sup>(3)</sup> Nevin Lau was appointed CFO on December 5, 2022.

In determining to award short-term incentive payment, 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 short-term incentive 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 short-term incentive 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 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 Stock Option 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. At the Meeting, shareholders will be asked to approve amendments to the Stock Option Plan, see **Ratification, Confirmation, and Approval of Amended Stock Option Plan** above.

On May 20, 2020, shareholders approved the adoption by the Company of a restricted share unit plan (the "RSU Plan"). The RSU Plan provides that RSUs may be granted by the Board, which administers the RSU Plan, to certain employees, consultants, and officers (the "Eligible Persons") from time to time as a discretionary payment to assist the Company in the recruitment and retention of highly qualified employees and eligible consultants by providing a means to reward performance, to motivate Eligible Persons under the RSU Plan to achieve important corporate and personal objectives, and through the proposed issuance of common shares of the Company or cash under the RSU Plan, to better align the interests of Eligible Persons with the long-term interests of shareholders of the Company.

Pursuant to the terms of the RSU Plan, the maximum number of shares which may be reserved for issuance under the RSU Plan shall not exceed 2,000,000 shares, subject to adjustment in instances of certain corporate

reorganizations, or such greater number of shares as shall have been duly approved by the Board and, if required the policies of the TSX Venture Exchange (the “Exchange”) or any other stock exchange on which the common shares of the Company may then be listed, and by the shareholders of the Company.

The number of shares which may be reserved for issuance under the RSU Plan in combination with the aggregate number of common shares which may be issuable under any and all of the Company’s equity incentive plans in existence from time to time, shall not exceed 10% of the total number of issued and outstanding common shares on a non-diluted basis, or such greater number of common shares as shall have been duly approved by the Board and, if required, by the policies of the Exchange or any other stock exchange on which the common shares of the Company may then be listed, and by the shareholders of the Company.

As of the date of this Circular, no RSUs have been granted under the Company’s RSU Plan.

### Corporate Objectives

In determining whether 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.

The 2022 Corporate Objectives included completion of a feasibility study; APGA permit approval; acquisition of surface rights for infrastructure requirements for the open pit mine; and advancement of training programs for communities and enrollment of internal staff in literacy and trades programs. In addition, the 2022 Corporate Objectives included compliance with health, safety, and environmental targets, improving sustainability reporting and stakeholder relations, as well as share price performance and financial goals. Corporate Objectives for 2022 were weighted 30% Operations, 30% ESG, 30% Financial, and 10% Share Price Performance.

### Securities Authorized for Issuance Under Equity Compensation Plans

#### Equity Compensation Plan Information

The following table provides information regarding all compensation plans under which equity securities of the Company are authorized for issuance as at December 31, 2022:

Plan Category	Number of securities to be issued upon exercise of outstanding options, warrants, and rights	Weighted-average exercise price of outstanding options, warrants, and rights \$	Number of securities remaining available for future issuance under equity compensation plans
Equity compensation plans approved by securityholders	9,154,200	1.72	5,969,414 <sup>(1)(2)</sup>
Equity compensation plans not approved by securityholders	Nil	N/A	N/A
<b>Total</b>	<b>9,154,200</b>	<b>1.72</b>	<b>5,969,414</b>

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

<sup>(2)</sup> Pursuant to the terms of the RSU Plan, the maximum number of shares which may be reserved for issuance under the RSU Plan is the lesser of (i) 2,000,000 shares and (ii) in combination with the aggregate number of shares which may be issuable under any and all of the Company’s equity incentive plans in existence from time to time, 10% of the total number of issued and outstanding shares.



**Stock Option Plan:**

The following is a summary of the principal terms of the Stock Option Plan as of the date hereof and prior to giving effect to the proposed amendments as described in this Circular under the heading **Ratification, Confirmation and Approval of Amended Stock Option Plan**. A complete copy of the Amended Plan is attached to this Circular as Schedule "C".

The Stock Option Plan provides that the maximum number of common shares available to be issued on exercise of stock options granted under the Stock Option 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 March 24, 2023, there are 13,234,542 common shares reserved for issuance on the exercise of stock options, representing approximately 87% of the available Option Limit and 8.7% of the 151,288,141 currently outstanding common shares. As such, as at March 24, 2023, the Company could grant additional stock options that, on exercise, will result in an additional 1,894,272 common shares being issued. Stock options that expire without being exercised are automatically available for the purpose of granting stock options under the Stock Option Plan.

At December 31, 2022, stock options totaling 9,154,200 common shares on exercise of the options had been granted under the Stock Option Plan, representing approximately 6.0% of the issued and outstanding common shares of the Company and representing approximately 60% of the available Option Limit. As at December 31, 2022, 7,237,000 total options had been granted to Directors and insiders of the Company, representing approximately 5.0% of the total outstanding shares.

The Board may grant stock options under the Stock Option 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 all Investor Relations Service Providers (as defined in the Stock Option Plan) in the aggregate in any 12-month period. The maximum aggregate number of common shares that are issuable pursuant to all stock options and RSUs granted or issued in any 12-month period to any one consultant cannot exceed 2% of the common shares then outstanding (calculated as at the date that such options or RSUs are granted). 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, and the maximum aggregate number of common shares that are issuable pursuant to all RSUs and options granted or issued to insiders (as a group) must not exceed 10% of the common shares that are issued and outstanding on a non-diluted basis at any point in time.

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 term of stock options granted under the Stock Option Plan may not exceed 10 years and the term may be set at the discretion of the Board. Presently, all stock options granted pursuant to the Stock Option Plan have a term of five years or less.

Stock options terminate at the earliest of:

- (a) the expiry date;
- (b) 90 days following termination of the office of a Director and in such case, the stock options will continue to vest in accordance with the terms of grant, 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; and
- (c) 90 days following termination of employment or consultancy, in which case the stock options shall continue to vest in accordance with the terms of grant, unless the employment or consultancy terminates as a result of:
  - (i) termination for Cause (as defined in the Stock Option Plan) or an order of a securities commission, stock exchange or regulatory body, in which case expiry is immediate;



- (ii) termination without Cause, in which case the stock options shall immediately vest and the expiry date shall be up one year following the termination date;
- (iii) resignation without Good Reason (as defined in the Stock Option Plan), in which case the stock options shall cease to vest and the expiry date shall be the 30<sup>th</sup> date following resignation;
- (iv) resignation for Good Reason, in which case the stock options shall immediately vest and the expiry date shall be up to one year following the date of resignation;
- (v) the death of the optionee, in which case the stock options shall immediately vest and the expiry date shall be up to one year following the date of death; or
- (vi) the disability of the optionee, in which case the stock options shall continue to vest in accordance with the terms of grant and, if the individual ceases to qualify as an Eligible Person (as defined in the Stock Option Plan), the stock options will expire up to one year following the date of cessation.

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 Stock Option Plan regarding death of a stock option holder.

If, at any time prior to the Expiry Date, there is a Change of Control and the Optionee is terminated by the Company without Cause, or the Optionee terminates his or her employment with the Company for Good Reason, in each case, concurrent with the Change of Control or within six (6) months of the date of the Change of Control, all unvested Options shall automatically vest immediately prior to the Optionee's termination or resignation, as the case may be, and the Optionee shall have the right, at any time following the Change of Control until the Expiry Date, to exercise all or any of the unexercised Options previously granted to the Optionee. Acceleration of vesting provisions on options granted to Investor Relations Services Providers must have prior TSXV acceptance. The Stock Option Plan allows for exercise on a Net Settlement basis (as defined in the Stock Option Plan).

The Board may amend the Stock Option 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 Stock Option Plan: (i) persons eligible to be granted options under the Stock Option Plan; (ii) the maximum number of common shares reserved for issuance upon exercise of options available under this Stock Option Plan; (iii) the limitations on grants of options to: (a) any one person, (b) insiders, (c) consultants, or (d) Investor Relations Service Providers; (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; (vii) any method or formula for calculating prices, values or amounts under the Plan that may result in a benefit to an eligible person; and (viii) 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, or the extension of the term of an option.

#### **RSU Plan:**

The Company's RSU Plan provides that RSUs may be granted by the Board, which administers the RSU Plan, to certain employees, consultants, and officers (the "**Eligible Persons**") from time to time as a discretionary payment to assist the Company in the recruitment and retention of highly qualified employees and eligible consultants by providing a means to reward performance, to motivate Eligible Persons under the RSU Plan to achieve important corporate and personal objectives, and through the proposed issuance of common shares of the Company or cash under the RSU Plan, to better align the interests of Eligible Persons with the long-term interests of shareholders of the Company.

The following is a summary of certain material terms of the RSU Plan which was approved by shareholders on May 20, 2020.

Pursuant to the terms of the RSU Plan, the maximum number of shares which may be reserved for issuance under the RSU Plan shall not exceed 2,000,000 shares, subject to adjustment in instances of certain corporate reorganizations, or such greater number of shares as shall have been duly approved by the Board and, if required the policies of the TSX Venture Exchange (the “Exchange”) or any other stock exchange on which the common shares of the Company may then be listed, and by the shareholders of the Company.

The number of shares which may be reserved for issuance under the RSU Plan in combination with the aggregate number of common shares which may be issuable under any and all of the Company’s equity incentive plans in existence from time to time, including the RSU Plan, shall not exceed 10% of the total number of issued and outstanding common shares on a non-diluted basis, or such greater number of common shares as shall have been duly approved by the Board and, if required, by the policies of the Exchange or any other stock exchange on which the common shares of the Company may then be listed, and by the shareholders of the Company.

If and for so long as the Company’s common shares are listed on the Exchange, the number of shares which may be issued under the RSU Plan and any other share compensation arrangement within any one-year period:

- (i) to any one Eligible Person, shall not exceed 5% of the total number of issued and outstanding common shares on a non-diluted basis;
- (ii) to Insiders (as defined in the RSU Plan) as a group, shall not exceed 10% of the total number of issued and outstanding common shares on a non-diluted basis; and
- (iii) to any one consultant, shall not exceed 2% of the total number of issued and outstanding common shares on a non-diluted basis.

If and for so long as the Company’s Common Shares are listed on the Exchange, no RSUs may be granted to any person retained by the Company to provide Investor Relations Activities.

On each grant date, the Board will designate Eligible Persons and determine the number of RSUs to be granted to each Eligible Person in the Board’s sole discretion. Concurrent with the determination to grant RSUs to an Eligible Person, the Board will determine the Settlement Date applicable to such RSUs provided the Board will have discretion to amend the Settlement Date after such grant.

The “Settlement Date” in respect of any RSU means the date as determined by the Board, or if no date is set, the third anniversary of the grant date on which such RSU was granted to the Eligible Persons, unless there is a Change of Control (as defined in the RSU Plan), the RSU Plan is terminated, or upon an Eligible Person’s death or termination of employment. At the time of the grant, the Board shall determine the duration of the vesting period and other vesting terms applicable to the grant of the RSUs. Dividend equivalent RSUs awarded to Eligible Persons will vest with the RSUs in respect of which they were credited to the Eligible Person’s RSU Account (as defined in the RSU Plan).

Unless redeemed earlier in accordance with the RSU Plan, the RSUs of each Eligible Person that have vested will be redeemed on each applicable Settlement Date for, at the sole discretion of the Board:

- (i) the equivalent number of underlying common shares; or
- (ii) cash equal to the Fair Market Value (as defined in the RSU Plan) of the equivalent number of common shares, subject to withholding tax and other required source deductions.

Under the RSU Plan, the Board may from time to time amend or revise the terms of the RSU Plan or may discontinue the RSU Plan at any time. Notwithstanding the foregoing, the Company will be required to obtain requisite disinterested shareholder approval, and if and for so long as the Company’s common shares are listed on the Exchange, approval of the Exchange, to make amendments to the RSU Plan to increase the number or percentage of issued and outstanding common shares available for grant under the RSU Plan, to

change the method of calculation for the redemption of the RSUs held by Eligible Persons or to provide an extension to the term for the redemption of RSUs held by Insiders.

All other amendments to the RSU Plan may be made by the Board without obtaining shareholder approval. If an Eligible Person is terminated by the Company for cause, or if an Eligible Person voluntarily terminates employment for any reason prior to the Settlement Date, all of the Eligible Person's RSUs will be cancelled and no amount will be paid by the Company to the Eligible Person in respect of the RSUs so cancelled. The RSUs of an Eligible Person which have vested who is involuntarily terminated by the Company, for reasons other than cause, will be redeemed for an amount of common shares of the Company or cash equal to the number of RSUs then held by the Eligible Person.

In the event of a Change of Control (as defined in the RSU Plan), all RSUs granted to the Eligible Persons shall immediately vest and the Company will redeem 100% of the RSUs granted to the Eligible Persons and outstanding under the RSU Plan as soon as reasonably practical.

As at the date of this Circular there are 151,288,141 shares of the Company issued and outstanding. The maximum number of shares which may be issued under the RSU Plan is 2,000,000, representing approximately 1.3% of the Company's issued and outstanding shares as at the date of this Circular. As of the date of this Circular, no restricted share units under the RSU Plan have been issued under the RSU Plan.

## 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 Mandate

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. The composition of the Audit Committee following the Meeting will be determined by the Board after the Meeting. Mr. Hathaway, a member of the Audit Committee, is not standing for re-election at the Meeting.

### Relevant Education and Experience

#### **Zara Boldt, Director, Chair of Audit Committee**

Ms. Boldt currently serves as CFO and Corporate Secretary of Lucara Diamond Corporation, a position she has held since April 2018. 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. Until March 2018, Ms. Boldt served as the CFO & Corporate Secretary for Strongbow Exploration Inc. In addition, during 2016 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 the Company.

**James Beck, Director**

Mr. Beck has more than 15 years of international project management and corporate development experience. He currently serves as President and CEO of Filo Mining Corp., a base metals exploration and development company listed on the TSX and the Nasdaq First North Growth Market. Prior to joining Filo Mining Corp. he worked in corporate development with various Lundin Group Companies including NGEx Minerals Ltd., Josemaria Resources Inc., and Lundin Mining Corporation. Mr. Beck's focus is on project development, corporate strategy, acquisitions, divestments, and joint ventures. He is a registered Professional Engineer in the province of Ontario, holds a Bachelor of Applied Science from Queen's University, and an MBA from the University of British Columbia.

**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.

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**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.

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**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.

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**External Auditor Service Fees (by Category)**

PricewaterhouseCoopers LLP conducted the annual audit of Bluestone's financial statements and provided audit-related, tax, and other services and reports to the Audit Committee of the Board. The table below outlines the aggregate fees paid to PricewaterhouseCoopers LLP during the last two years.

	Year ended Dec 31, 2022	Year ended Dec 31, 2021
Audit fees <sup>(1)</sup>	\$118,441	\$121,620
Audit-related fees <sup>(2)</sup>	2,549	1,750
Tax fees <sup>(3)</sup>	28,030	1,488
All other fees <sup>(4)</sup>	-	14,320
<b>Total</b>	<b>\$149,020</b>	<b>\$139,178</b>

<sup>(1)</sup> Audit fees include fees related to the audit of the year-end financial statements, 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) All other fees are fees billed by the auditor for services relating to the base shelf prospectus dated October 29, 2021.

### 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, 2022.

### 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.

#### **March 2022 Loan**

On March 11, 2022, the Company established a US\$30,000,000 loan (the "**March 2022 Loan**") in favour of the Company with Zebra Holdings and Investments S.à.r.l and Lorito Holdings S.à.r.l (the "**Lender**") of Luxembourg. In support of the March 2022 Loan, the Company has entered into an unsecured debenture (the "**Debenture**") with the Lender in the principal amount of US\$30,000,000 (the "**Principal Amount**"). The Debenture will provide for the drawdown of funds by the Company in tranches of not less than US\$1,000,000. The Lender is a related party of the Company as they are significant shareholders of the Company. In addition, the Lender is an informed person of the Company as it, together with its affiliates, has beneficial ownership of, or control or direction over, directly or indirectly, more than 10% of the common shares of the Company.

In consideration for the March 2022 Loan, the Company has issued 150,000 common shares of the Company to the Lender upon execution of the Debenture, and will issue an additional 4,000 common shares per month (pro-rated for partial months) for each US\$1,000,000 of the Principal Amount outstanding under the Debenture from time to time up to March 11, 2023 (the "**Maturity Date**"), the number of such common shares to be calculated as of the last day of each month up to the Maturity Date.

Subsequent to the reporting period, on January 30, 2023, the Company announced that it extended the term of the March 2022 Loan from March 11, 2023, to March 11, 2024.

#### **Namdo Management Services Ltd.**

During the year ended December 31, 2022, the Company incurred \$494,410 in office facilities and services expenses pursuant to an agreement, which is renewable on an annual basis, with Namdo Management Services Ltd. ("**Namdo**") of Vancouver, British Columbia. The Company's former President and Chief Executive Officer, and current Director, became the owner of Namdo on January 1, 2021.

### Interest of Certain Persons in 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.

## Other Matters

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: 604-757-4715

By fax: 604-681-3701

By email: [info@bluestonerresources.ca](mailto:info@bluestonerresources.ca)

Financial information as at December 31, 2022, is provided in the Company's audited annual consolidated financial statements and MD&A for its most recently completed financial year, filed on SEDAR.

**DATED March 24, 2023**

*"Peter Hemstead"*

**Peter Hemstead**

**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**”) is responsible 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, overseeing that the Company meets its obligations on an ongoing basis and operates in a reliable and safe manner. In performing its functions, the Board will 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 58-102”) Additionally, the Company should strive to have a Chair of the Board (the “**Chair**”) who is an independent director as defined by NI 58-102. 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 Committee 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 Executives 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 is responsible for approving the appointment of the CEO, the President, the Chief Financial Officer, any Vice-President, and any other employee of the Company having a comparable position as may be specified by the Board (collectively the "Senior Executives") 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 Senior Executives and that the CEO and other Senior Executives create a culture of integrity throughout the Company.
- (b) The Board, from time to time, delegates to Senior Executives 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 oversees succession planning programs, including programs to appoint, train, develop, and monitor Senior Executives.

##### 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 oversees the Company's long-term goals and strategic planning process and assists 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 is responsible for reviewing the principal risks of the Company's business and the implementation of appropriate systems to effectively monitor and manage such risks with a view to the long-term viability of the Company.
- (c) The Board oversees the Company's commitment to reduce climate change and greenhouse gas emissions.

#### 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 so that that the Company operates at all times within Applicable Laws.
- (b) The Board shall oversee that 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 review the Company's 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 confirming 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) all directors receiving 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 their knowledge and understanding of the Company's business.

#### 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 fulfill 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) make sure 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 that the Board is organized properly, functions effectively and meets its obligations and responsibilities;
- (f) co-ordinate with management 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 Executives;
- (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, encourage 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) review to determine if 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.

## 7. COMMITTEE CHAIRS

### 7.1 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.

### 7.2 Duties

- (a) The chair of a Committee shall lead and oversee the Committee so as to fulfill its mandate. In particular, the Committee chair shall:
  - (b) organize the Committee to function independently of management;
  - (c) provide the Committee the 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 so that it is organized properly, functions effectively, and meets its obligations and responsibilities;
  - (f) co-ordinate with management 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 Executives 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, encourage their accountability, and provide for the effectiveness of the Committee.

Original approval date:	March 8, 2018
Revised date:	March 15, 2022
Approved by:	Board of Directors

## Schedule “B” – Audit Committee Mandate

### BLUESTONE RESOURCES INC.

#### AUDIT COMMITTEE MANDATE

#### 8. PURPOSE

**8.1** 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 Mandate 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.
- Confirm the reporting of the Company's climate change assessment, and greenhouse gas ("GHG") emissions, for which the Company is indirectly responsible, have been fully reflected in the judgments and estimates in financial statements and other Company disclosures.
- Confirm 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.



- 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:

- establishing the frequency of Committee meetings and reviewing 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 for the Committee to carry out its mandate.

Original approval date:	March 8, 2018
Revised date:	March 15, 2022
Approved by:	Board of Directors

## Schedule “C” – Amended Stock Option Plan

### BLUESTONE RESOURCES INC.

#### STOCK OPTION PLAN

#### 1. PURPOSE

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

#### 2. DEFINITIONS

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

- 2.1** “**Administrator**” means such director, officer, or Employee of the Company as may be designated as Administrator by the Committee from time to time, if any.
- 2.2** “**Affiliate**” means an affiliate of the Company within the meaning of Section 1.3 of National Instrument 45-106 – *Prospectus and Registration Exemptions*, as may be amended or replaced from time to time.
- 2.3** “**Blackout Period**” means a restriction imposed by the Company in accordance with the Company’s securities trading policy on all or any of its directors, officers, Employees, Insiders, or persons in a special relationship, whereby they are to refrain from trading in the Company’s securities until the restriction has been lifted by the Company.
- 2.4** “**Board**” means the board of directors of the Company.
- 2.5** “**Business Day**” means any day other than a Saturday, Sunday or statutory holiday in Vancouver, British Columbia.
- 2.6** “**Cause**” has the meaning ascribed to the phrase “cause” or “just cause for termination” under the laws of British Columbia.
- 2.7** “**Change of Control**” means:
- (a)** the acquisition, by whatever means, by a person (or two or more persons who, in such acquisition, have acted jointly or in concert, or intend to exercise jointly or in concert any voting rights attaching to the Shares acquired), directly or indirectly, of beneficial ownership of such number of Shares or rights to Shares, which together with such person’s then-owned Shares and rights to Shares, if any, represent (assuming the full exercise of such rights) more than 50% of the combined voting rights attached to the then-outstanding Shares;
  - (b)** a consolidation, reorganization, amalgamation, merger or any other business combination (including, without limitation, any such transaction or business combination effected by way of a plan of arrangement) (other than in a transaction solely involving the Company and any one or more Affiliates of the Company) with respect to which all or substantially all of the persons who were the beneficial owners of the Shares and other securities of the Company immediately prior to such reorganization, amalgamation,

merger, business combination or plan of arrangement do not, following the completion of such consolidation, reorganization, amalgamation, merger, acquisition, business combination or plan of arrangement, beneficially own, directly or indirectly, more than 50% of the resulting voting rights (on a fully-diluted basis) of the Company or its successor;

- (c) a resolution is adopted to wind-up, dissolve or liquidate the Company;
  - (d) the sale, exchange or other disposition to a person other than an Affiliate of the Company of all or substantially all of the Company's assets; or
  - (e) a change in the composition of the Board, which occurs at a single meeting of the shareholders of the Company or upon the execution of a shareholders' resolution, such that individuals who are members of the Board immediately prior to such meeting or resolution cease to constitute a majority of the Board, without the Board, as constituted immediately prior to such meeting or resolution, having approved of such change.
- 2.8 “**Commission**” means the British Columbia Securities Commission.
- 2.9 “**Company**” means Bluestone Resources Inc. and includes any successor corporation thereof.
- 2.10 “**Consultant**” means any individual (other than a director, officer or Employee of the Company), corporation, incorporated association or organization, body corporate, partnership, trust, association, or any other entity other than an individual who:
- (a) is engaged to provide, on an ongoing *bona fide* basis, consulting, technical, management or other services to the Company or any Affiliate of the Company other than services provided in relation to a “distribution” (as defined in the *Securities Act* (British Columbia));
  - (b) provides the services under a written contract with the Company or any Affiliate of the Company; and
  - (c) in the reasonable opinion of the Company, spends or will spend a significant amount of time and attention on the affairs and business of the Company or any Affiliate of the Company.
- 2.11 “**Eligible Person**” means:
- (a) any director, officer or Employee of the Company or a subsidiary of the Company (“**Eligible Individual**”);
  - (b) a Consultant; or
  - (c) or any corporation, incorporated association or organization, body corporate, partnership, trust, association or any other entity other than an individual that is wholly-owned by an Eligible Individual.
- 2.12 “**Employee**” has the meaning ascribed to such term in the Exchange Manual.
- 2.13 “**Employee Benefit Withholding Tax**” means the amount required by Canadian authorities to be withheld and remitted by the Company in respect of the deemed employment benefit on exercise of an Option by an Optionee, as determined under the Tax Act and the regulations thereunder, and any other federal or provincial legislation that requires the Company to withhold tax or other amounts in respect of the deemed employment benefit determined under the Tax Act.
- 2.14 “**Exchange**” means the TSX Venture Exchange.
- 2.15 “**Exchange Manual**” means the TSX Venture Exchange Corporate Finance Manual.

- 2.16** “**Exercise Notice**” means the written notice of the exercise of an Option, in the form set out as Schedule “**B**” hereto, duly executed by the Optionee.
- 2.17** “**Expiry Date**” means the date the Option expires as set out in the Option Certificate or as otherwise determined in accordance with Section 7.1.
- 2.18** “**Expiry Time**” means the time the Option expires on the Expiry Date, which is 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date.
- 2.19** “**Fair Market Value**” means, with respect to any particular date, the volume weighted average trading price of the Shares on the Exchange for the five trading days immediately preceding the relevant date (or on any such other stock exchange, inter-dealer quotation network or other organized trading facility on which the Shares trade or are quoted from time to time). If the Shares are suspended from trading or have not traded on the Exchange or another stock exchange, inter-dealer quotation network or other organized trading facility for an extended period, the Fair Market Value will be the fair market value of the Shares as determined by the Board in its sole discretion acting in good faith.
- 2.20** “**Good Reason**” means any of the following conduct by the Company:
- (a) a unilateral reduction to the Employee’s base salary;
  - (b) a unilateral reduction to the aggregate value of the Employee's remuneration and benefits other than base salary;
  - (c) a unilateral material adverse change to the Employee's position, title, authority or responsibilities;
  - (d) a unilateral requirement that the Employee relocate outside of the Metro Vancouver region of British Columbia (excluding occasional business travel); or
  - (e) any change to the terms or conditions of the employment of the Employee that would be considered to amount to constructive dismissal pursuant to the common law, which the Company fails to remedy within thirty (30) days of receiving written notice from the Employee of any such change.
- 2.21** “**Grant Date**” means the date on which the Committee grants a particular Option; however, no Option can be exercised unless and until all necessary regulatory approvals have been obtained.
- 2.22** “**Insider**” means:
- (a) a director or senior officer of the Company;
  - (b) a director or senior officer of a corporation, incorporated association or organization, body corporate, partnership, trust, association or any other entity other than an individual that is an Insider or subsidiary of the Company;
  - (c) a person that beneficially owns or controls, directly or indirectly, Shares carrying more than 10% of the voting rights attached to all outstanding Shares of the Company; or
  - (d) the Company itself if it holds any of its own securities.
- 2.23** “**Investor Relations Activities**” has the meaning ascribed thereto in the Exchange Manual.
- 2.24** “**Investor Relations Service Provider**” includes any Consultant that performs Investor Relations Activities and any director, officer or Employee whose role and duties primarily consist of Investor Relations Activities.

- 2.25 **“Market Price”** means the last closing price for the Company’s Shares traded on the Exchange prior to the grant of the Options.
- 2.26 **“Net Settlement”** has the meaning ascribed thereto in Section 6.2(b).
- 2.27 **“Notice of Net Settlement”** means the written notice of Net Settlement pursuant to Section 6.2(b), in the form set out as Schedule “C” hereto, duly executed by the Optionee.
- 2.28 **“Option”** means an option to purchase Shares granted to an Eligible Person under this Plan.
- 2.29 **“Option Certificate”** has the meaning ascribed thereto in Section 8.1.
- 2.30 **“Option Period”** has the meaning ascribed thereto in Section 5.2(e).
- 2.31 **“Option Price”** means the price per Share at which the Shares may be purchased under an Option, as determined in accordance with Section 5.2(c).
- 2.32 **“Optionee”** means an Eligible Person to whom an Option has been granted and who continues to hold such Option.
- 2.33 **“Plan”** means this stock option plan, as may be amended or varied from time to time.
- 2.34 **“RSUs”** means any restricted share units issued under the Company’s Restricted Share Unit Plan.
- 2.35 **“Shares”** means the common shares of the Company or, in the event of an adjustment contemplated by Section 4.3 hereof, such other shares or securities to which an Optionee may be entitled upon the exercise of an Option as a result of such adjustment.
- 2.36 **“Tax Act”** means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th suppl.), as amended or replaced from time to time.
- 2.37 **“10 Year Limit”** has the meaning ascribed thereto in Section 5.2(e).

### 3. ADMINISTRATION

#### 3.1 General

- (a) **Committee.** The Board may at any time appoint a committee of the Board (the **“Committee”**) to, among other things, interpret, administer and implement this Plan on behalf of the Board in accordance with such terms and conditions as the Board may prescribe, consistent with this Plan (provided that if at any such time such a committee has not been appointed by the Board, this Plan will be administered by the Board, and in such event references herein to the Committee shall be construed to be a reference to the Board). The Board will take such steps that in its opinion are required to ensure that the Committee has the necessary authority to fulfill its functions under this Plan. If a Committee is appointed for this purpose, all references to the term **“Board”** will be deemed to be references to the Committee, as applicable in the context used.
- (b) **Administrator.** The Board may delegate to any director, officer or Employee of the Company such administrative duties and powers as the Board may see fit, with such person being appointed the Administrator.
- (c) **Authority of the Board.** The Board may revoke the Committee's authority hereunder at any time in the Board's sole and absolute discretion and, in such event, the Board may exercise the powers, and/or delegate to such other committee of the Board as the Board considers appropriate, all or any of the powers, conferred on the Committee under this Plan. In such event, the Board and/or the committee to which the Board has delegated such powers will exercise the powers conferred on the Committee under this Plan. Any

decision made, or action taken by the Board and/or any committee to which the Board has delegated its powers hereunder arising out of or in connection with the administration or interpretation of this Plan in this context, will be final and conclusive.

### **3.2 Board Powers**

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

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

### **3.3 Interpretation**

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

## **4. SHARES OF STOCK SUBJECT TO PLAN**

### **4.1 Number of Shares**

Subject to adjustment as provided for herein, the number of Shares which will be available for purchase pursuant to Options granted pursuant to this Plan will not exceed 10% of the number of Shares which are issued and outstanding on the particular Grant Date. In no event shall Options be granted, without regulatory approval, entitling any single Eligible Person to purchase in excess of 5% of the then outstanding Shares in any 12-month period and no more than 2% of the then outstanding Shares may be issued to all Investor Relations Service Providers in the aggregate in any 12-month period. In no event shall the maximum aggregate number of Shares that are issuable pursuant to all Options and RSUs granted or issued in any 12 month period to any one Consultant exceed 2% of the Shares then outstanding (calculated as at the date that such Options or RSUs are granted). The maximum number of Options which may be granted to Insiders within any 12-month period must not exceed 10% in aggregate of the then outstanding Shares, and the maximum aggregate number of Shares that are issuable pursuant to all RSUs and Options

granted or issued to Insiders (as a group) must not exceed 10% of the Shares that are issued and outstanding on a non-diluted basis at any point in time. If any Option expires or otherwise terminates for any reason without having been exercised in full, the number of Shares in respect of such expired or terminated Option shall again be available for the purposes of granting Options pursuant to this Plan.

#### **4.2 Fractional Shares**

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

#### **4.3 Adjustments**

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

#### **4.4 Other Accounting for Shares**

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

### **5. GRANT OF OPTIONS**

#### **5.1 Eligibility**

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



## 5.2 Terms and Conditions of Options

- (a) **General.** Except as herein and otherwise specifically provided, the number of Shares subject to each Option, the Option Price of each Option, the expiration date of each Option, the extent to which each Option is exercisable from time to time during the term of the Option and other terms and conditions relating to each such Option shall be determined by the Board.
- (b) **Vesting.** Subject to Sections 7.2 and 9, an Option which is subject to vesting shall vest and may be exercised during the Option Period as set out in the Option Certificate. Options which have vested may be exercised in whole or in part at any time and from time to time during the Option Period. Options granted to any Investor Relations Service Provider will vest in stages over a period of not less than 12 months, such that: (i) no more than  $\frac{1}{4}$  of the Options vest no sooner than three months after the Options were granted, (ii) no more than another  $\frac{1}{4}$  of the Options vest no sooner than six months after the Options were granted, (iii) no more than another  $\frac{1}{4}$  of the Options vest no sooner than nine months after the Options were granted, and (iv) the remainder of the Options vest no sooner than 12 months after the Options were granted. Investor Relations Service Providers may only receive Options. The Board may, in its entire discretion, subsequent to the time of granting Options hereunder, permit an Optionee to exercise any or all of the unvested Options then outstanding and granted to the Optionee under this Plan, in which event all such unvested Options then outstanding and granted to the Optionee shall be deemed to be immediately exercisable during such period of time as may be specified by the Board. However, if the Board wishes to permit an Optionee, who is an Investor Relations Service Provider, to exercise any or all of their unvested Options then outstanding and granted to the Investor Relations Service Provider under this Plan, the Board shall obtain prior Exchange approval.
- (c) **Option Price.** Subject to any adjustment pursuant to the provisions of Section 4.3 hereof, the Option Price payable by each Optionee for each Share issued on exercise of an Option shall be as determined by the Board but shall in no event be less than the Market Price, less the maximum discount permitted under the policies of the Exchange, or such other price as may be agreed to by the Company and approved by the Exchange.
- (d) **Assignability.** An Option is personal to the Optionee and is non-assignable and non-transferrable by an Optionee (whether by operation of law or otherwise), other than as permitted by Section 10 or the Exchange Manual. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of an Option contrary to the provisions of this Plan, or upon the levy of any attachment or similar process upon an Option, the Option shall, at the election of the Company, cease and terminate and be of no further force or effect whatsoever.
- (e) **Option Period.** Subject to Sections 7.1 and 7.2, the term (the “**Option Period**”) of any Options granted under this Plan will be determined by the Board but shall not exceed 10 years from the Grant Date (the “**10 Year Limit**”).
- (f) **Legends.** Any Shares issued on the exercise of Options prior to the expiry of an applicable hold period, must be legended as required by applicable securities laws and regulations.
- (g) **Exercise and Payment.** An Optionee (or heir or administrator of an Optionee, as contemplated in Section 10) may exercise an Option in whole or in part, subject to Section 7.2, at any time or from time to time during the Option Period up to 5:00 p.m. local time in Vancouver, British Columbia on the Expiry Date by delivering written notice to the

Company in accordance with Section 6.2 together with full payment of the Option Price payable pursuant to exercise of the Option.

### 5.3 Notices

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

## 6. EXERCISE OF OPTION

### 6.1 Exercise by Written Notice

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

### 6.2 Payment of Option Price and Employee Benefit Withholding Tax

- (a) **Payment of Option Price.** The Option Price of each Optioned Share purchased under an Option shall be in cash or by bank draft or certified cheque, or other form of payment agreed to by the Company, at the time of such exercise, in lawful money of Canada, to the Company. The Optionee, or the heir or administrator of the Optionee (as contemplated in Section 10), shall also provide for the applicable Employee Benefit Withholding Tax, as determined by the Company, by paying, at the time of exercise, the Employee Benefit Withholding Tax, and upon receipt of payment in full of the Option Price and the applicable Employee Benefit Withholding Tax, the number of Shares issued in respect of which the Option is exercised shall be duly issued as fully paid and non-assessable. The Board may at any time or from time to time grant Options which do not permit all of the foregoing forms of consideration to be used in payment of the Option Price or which otherwise restrict one or more forms of consideration.
- (b) **Net Settlement.** In lieu of paying the aggregate Option Price to purchase Shares in accordance with Section 6.2(a) and subject to the provisions of the Plan and, upon prior approval of the Board, in its sole and absolute discretion, once an Option has vested and become exercisable an Optionee may elect, in lieu of exercising such Option, to surrender such Option in exchange for the issuance of the number of Shares equal to the number determined by dividing (a) the difference between the Fair Market Value (calculated as at the date of settlement) and the Option Price of such Option by (b) the Fair Market Value (calculated as at the date of settlement) ("**Net Settlement**"). An Option may be surrendered and disposed of pursuant to this Section 6.2 (b) (from time to time by delivery to the Company at its principal place of business: (a) a Notice OF Net Settlement specifying that the Optionee has elected to effect such a Net Settlement of such Option and the number of Options to be exercised and (b) the payment of an amount for any Employee Benefit Withholding Tax (or by entering into some other arrangement acceptable to the Company). The Company will not be required, upon the Net Settlement of any Options pursuant to this Section 6.2(b), to issue fractions of Shares or to distribute

certificates which evidence fractional Shares. In the event the number of Shares to be issued upon the Net Settlement of an Option is a fraction, the Optionee will receive the next lowest whole number of Shares and will not receive any other form of compensation (cash or otherwise) for the fractional interest. Upon exercise of the foregoing, the number of Shares underlying the Options disposed of shall be deducted from the number of Shares reserved for issuance under the Plan. This Section 6.2(b) shall not be available to any Investor Relations Service Provider who holds Options.

### 6.3 Effect of Exercise

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

## 7. EXPIRY OF OPTIONS

### 7.1 Duration of Option.

- (a) Subject to Section 7.1(b), Options shall be expressed to expire on the date set out in the Option Certificate (so long as the date specified in the Option Certificate does not exceed the 10 Year Limit) and shall be subject to earlier termination as provided in Section 7.2 (the “Expiry Date”).
- (b) In the event that the Expiry Date falls during a Blackout Period, the Expiry Date shall be automatically extended to a date that is ten Business Days after the last date of the Blackout Period in question. The automatic extension is available to all Eligible Persons under the Plan under the same terms and conditions.

### 7.2 Termination of Option.

An Optionee may exercise an Option in whole or in part at any time or from time to time during the Option Period. Any Option or part thereof not exercised within the Option Period shall terminate and become null, void, and of no further force and effect at 5:00 p.m. local time in Vancouver, British Columbia, on the Expiry Date. Subject to any express resolution of the Board, in its sole discretion, extending or limiting the Expiry Date of an Option, the Expiry Date of an Option shall be the earlier of (i) the Expiry Date fixed by the Board and (ii) the date established, if applicable, in Sections 7.2(a) to (b) below, so long as the Expiry Date complies with Section 7.1(a):

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

in which case the Expiry Date shall be the date the Optionee ceases to be a director of the Company and each vested or unvested Option shall be void and of no further force or effect on such date;

**(b) Ceasing to be Employed.** If the Optionee was granted Options as an Employee, officer, or Consultant of the Company or a subsidiary of the Company and such Optionee ceases to be an Employee, officer or Consultant of the Company or a subsidiary of the Company, any unvested Options shall continue to vest in accordance with the terms of the Option Certificate and will expire on the 90<sup>th</sup> day following the date the Optionee ceases to be an Employee, officer or Consultant, unless the Optionee ceases to be an Employee, officer, or Consultant as a result of:

- (i) termination for Cause; or
- (ii) an order of the Commission, the Exchange, or any regulatory body having jurisdiction to so order;

in which case the Expiry Date of the Options shall be the date the Optionee ceases to be an Employee, officer, or Consultant of the Company and each vested or unvested Option shall be void and of no further force or effect on such date;

- (iii) resignation for Good Reason, in which case the Options shall immediately vest and the Expiry Date of the Options shall be the earlier of the scheduled expiry date of the Option and up to one year following the date of resignation;
- (iv) termination without Cause, in which case the Options shall immediately vest and the Expiry Date of the Options shall be the earlier of the scheduled expiry date of the Option and up to one year following the termination date;
- (v) the death of an Optionee, in which case the Optionee's Options shall vest as of the date of death and the Expiry Date of the Options shall be one year following the date of death. In such case, the Options shall only be exercisable by the person or persons to whom the Optionee's rights under the Option shall pass by the Optionee's will or the laws of intestacy and succession; or
- (vi) the disability of an Optionee, in which case the Optionee's Options shall continue to vest in accordance with the terms of the Option Certificate. If such Optionee ceases to qualify as an Eligible Person under the Plan, the Expiry Date of the Options shall be the earlier of the scheduled expiry date of the Option and up to one year following the date of cessation.

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

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

**7.5** For greater certainty, the Board must obtain prior Exchange approval to accelerate the vesting of any and all Options granted to Investor Relations Service Providers.

## **8. OPTION CERTIFICATES**

### **8.1 Option Certificate**

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

## 8.2 Representations by Optionees

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

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

## 8.3 Other Procedures and Documentation

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

## 9. CHANGE OF CONTROL

Notwithstanding any provision herein to the contrary and notwithstanding any vesting provisions contained in any individual Option Certificate, if, at any time prior to the Expiry Date, there is a Change of Control and the Optionee is terminated by the Company without Cause, or the Optionee terminates his or her employment with the Company for Good Reason, in each case, concurrent with the Change of Control or within six (6) months of the date of the Change of Control, all unvested Options shall automatically vest immediately prior to the Optionee's termination or resignation, as the case may be, and the Optionee shall have the right, at any time following the Change of Control until the Expiry Date, to exercise all or any of the unexercised Options previously granted to the Optionee. Acceleration of vesting provisions on options granted to those providing Investor Relations Activities must have prior TSXV acceptance.

## 10. ASSIGNMENT OF OPTIONS

All benefits, rights and Options accruing to any Optionee in accordance with the terms and conditions of this Plan shall not be transferable or assignable, except that if an Optionee dies prior to the expiry of an

Option, the Optionee's heirs or administrators may exercise any vested Options in accordance with Section 7.2(b)(v). During the lifetime of an Optionee, benefits, rights and Options may only be exercised by the Optionee. The period during which an Optionee's heirs or administrators may make such a claim will not exceed one year from the Optionee's death.

## **11. AMENDMENT AND TERMINATION**

### **11.1 Amendment**

- (a)** Subject to paragraphs (b) and (c) and any required regulatory approval (including acceptance by the Exchange), the Board may from time to time amend or revise the terms and conditions of this Plan or any Option, provided that no such action may in any manner adversely affect the rights under any previously granted Options unless the Company has the consent of the affected Optionee(s) or unless additional similar rights comparable thereto, or other compensation of equal or greater value, is given to such Optionee(s). Without limiting the foregoing, in addition to the items set out in Section 3 and without limiting such items, the Board is specifically authorized to amend or revise the terms of this Plan or an Option, by passing a resolution of the Board setting out such amendment, without obtaining shareholder approval in the following circumstances:
- (i) to change the vesting provisions of an Option or this Plan;
  - (ii) to make other amendments of a "housekeeping" or non-material nature with requisite regulatory approval; or
  - (iii) to clarify existing provisions of the Plan that do not have the effect of altering the scope, nature and intent of such provisions.
- (b)** Notwithstanding any provisions to the contrary, the Board may only amend the provisions of this Plan relating to the following provided the Board obtains the approval of the shareholders of the Company in respect thereof:
- (i) persons eligible to be granted Options under the Plan;
  - (ii) the maximum number of Shares reserved for issuance upon exercise of Options available under this Plan;
  - (iii) the limitations on grants of Options to any one person, Insiders, Consultants, or Investor Relations Service Providers;
  - (iv) the method for determining the Option Price for Options;
  - (v) the maximum Option Period for Options;
  - (vi) the expiry and termination provisions applicable to Options;
  - (vii) any method or formula for calculating prices, values or amounts under the Plan that may result in a benefit to an Eligible Person; or
  - (viii) any amendment to the amendment provisions.
- (c)** Disinterested shareholders of the Company must approve any amendment to Options held by an Insider at the time of the amendment that would have the effect of decreasing the Option Price of such Options, or the extension of the term of an Option.

**11.2 Termination of this Plan.**

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

**12. COMPLIANCE WITH LEGISLATION****12.1 Regulatory Compliance.**

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

**12.2 No Obligations to Issue Shares if Non-Compliance.**

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

**12.3 Remittance of Employee Benefit Withholding Tax.**

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

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

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



**13.2 Employment or Directorship.**

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

**13.3 Record Keeping.**

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

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

**13.4 Governing Law.**

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

**13.5 No Obligation to Exercise.**

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

**13.6 Headings.**

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

**14. APPROVALS**

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

**15. DATE OF THE PLAN**

This Plan was originally approved by the Board on October 31, 2018, and approved by the shareholders of the Company on December 7, 2018; was amended by the Board on March 12, 2020 (with the effective date of the amendment of March 12, 2020) and approved by the shareholders of the Company on May 20, 2020. The Plan was approved by the shareholders of the Company without change on May 19, 2021. The Plan was amended and approved by the Board on April 6, 2022, and by shareholders on May 18, 2022. The Plan was amended and approved by the Board on March 9, 2023.

## SCHEDULE A - OPTION CERTIFICATE

This Option Certificate certifies that, effective the ● day of ●, 2022 (the “Grant Date”), **BLUESTONE RESOURCES INC.** (the “Company”) has granted to ● (the “Optionee”), an option (the “Option”) to acquire ● common shares in the capital of the Company (“Shares”) at an exercise price of C\$● per Share (the “Option Price”) pursuant to the provisions of the Company’s Stock Option Plan (the “Plan”). Subject to the provisions of the Plan, this Option expires at 5:00 p.m. (Vancouver time) on ● (the “Expiry Time”).

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

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

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

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

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

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

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

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

The Optionee, if an Officer of the Company, acknowledges that he or she has received, read, and will abide by the Executive Compensation Recovery Policy which constitutes the whole agreement between the Officers and the Company in relation to the Plan

**BLUESTONE RESOURCES INC.**

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**Authorized Signatory**

**Signature of Optionee:**

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**Name**

**SCHEDULE B - EXERCISE NOTICE**

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

I, \_\_\_\_\_, hereby give notice, pursuant to the Plan, of the exercise of the Option to acquire and subscribe for \_\_\_\_\_ common shares in the capital of the Company (the "Shares").

Calculation of total Exercise Price:

- (a) number of Shares to be acquired on exercise: \_\_\_\_\_ Shares
- (b) multiplied by the Exercise Price per Share: \$ \_\_\_\_\_
- 1. TOTAL EXERCISE PRICE [(a) x (b)]:** \$ \_\_\_\_\_
- (c) sale price/market price on exercise: \$ \_\_\_\_\_

The undersigned tenders herewith cash, cheque or bank draft in an amount equal to the total Exercise Price, *and if applicable*, the Tax Remittance of the aforesaid Shares, as calculated above, and directs the Company to issue the share certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

DATED the \_\_\_\_\_ day of \_\_\_\_\_, 20\_\_\_\_\_.

\_\_\_\_\_  
 Signature of Option Holder

\_\_\_\_\_  
 Name of Option Holder (please print)

***If applicable*, calculation of tax remittance to the CRA (by Bluestone Payroll):**

(d)	stock option benefit $[(c) - (b)] \times (a)$ :	\$ _____
(e)	tax remittance:	\$ _____
(f)	CPP deduction:	\$ _____
	<b>2. TOTAL TAX REMITTANCE:</b>	\$ _____
	<b>3. TOTAL PAYABLE TO THE COMPANY</b>	
	<b>BY THE OPTION HOLDER: [(1) + (2)]:</b>	\$ _____
	<b>4. TOTAL PAYABLE TO OPTIONEE: [(d) - (2)]:</b>	\$ _____

**SCHEDULE C - NOTICE OF NET SETTLEMENT**

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

The undersigned hereby requests, pursuant to the Plan, the Company accept the transfer, disposition and surrender of the right to exercise \_\_\_\_\_ Options in exchange for, subject to the terms of the Plan and the Options, the number of Shares representing the fair market value of the Options disposed of and transferred to the Company pursuant to the net settlement provisions set out in Section 6.2(b) of the Plan (the "**Net Settlement Provisions**").

The undersigned, subject to the terms of the Plan and the Options, is requesting to receive the fair market value of the Options in Shares pursuant to the Net Settlement Provisions.

The undersigned tenders herewith cash, cheque or bank draft in an amount equal to the tax remittance of the aforesaid Shares, and directs the Company to issue the certificate evidencing said Shares in the name of the undersigned to be mailed to the undersigned at the following address:

\_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

By executing this Notice of Net Settlement, the undersigned hereby confirms that the undersigned has read the Plan and agrees to be bound by the provisions of the Plan. All terms not otherwise defined in this Notice of Net Settlement will have the meanings given to them under the Option Certificate.

DATED the \_\_\_\_ day of \_\_\_\_\_, 20\_\_.

\_\_\_\_\_  
 Signature of Option Holder

\_\_\_\_\_  
 Name of Option Holder (*please print*)

***If applicable, calculation of tax remittance to the CRA (by Bluestone Payroll):***

(a)	stock option benefit:	\$ _____
(b)	tax remittance:	\$ _____
(c)	CPP deduction:	\$ _____
	<b>1. TOTAL TAX REMITTANCE:</b>	\$ _____
	<b>3. TOTAL PAYABLE TO THE COMPANY</b>	
	<b>BY THE OPTION HOLDER: [(1) + (2)]:</b>	\$ _____