BLUESTONE RESOURCES INC.

MANAGEMENT'S DISCUSSION AND ANALYSIS OF THE FINANCIAL POSITION AND RESULTS OF OPERATIONS FOR THE THREE AND SIX MONTHS ENDED JUNE 30, 2022

The following Management's Discussion and Analysis ("MD&A") of the financial condition and results of operations of Bluestone Resources Inc. ("Bluestone" or the "Company") constitutes management's review of the factors that affected the Company's financial and operating performance for the three and six months ended June 30, 2022. The MD&A was prepared as of August 16, 2022, and should be read with the unaudited condensed interim consolidated financial statements and related notes for the three and six months ended June 30, 2022, which can be found along with other information of the Company on SEDAR at www.sedar.com. All figures are in United States ("U.S.") dollars unless otherwise stated. References to C$ are to Canadian dollars. The financial statements have been prepared in accordance with International Accounting Standard 34, *Interim Financial Reporting* of International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS").

Forward-Looking Statements

This MD&A contains "forward-looking information" within the meaning of Canadian securities legislation and "forward-looking statements" within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, "forward-looking statements"). All statements, other than statements of historical fact, that address activities, events, or developments that the Company believes, expects, or anticipates will or may occur in the future including, without limitation: the anticipated approval of an environmental permit amendment by the end of the year and expected project timelines; expectations relating to social acceptance of the Cerro Blanco Project ("Cerro Blanco" or the "Project") and the nature of community opposition; the Company's intention to hire and train local employees and the initiation of training programs; the Project's expected economic benefits to Guatemala; the expected timing of the completion of offsite infrastructure and potential benefits; and the estimated value of the Project.. These forward-looking statements reflect the current expectations or beliefs of the Company based on information currently available to Bluestone and often use words such as "expects", "plans", "anticipates", "estimates", "intends", "may", or variations thereof or the negative of any of these terms.

All forward-looking statements are made based on Bluestone's current beliefs as well as various assumptions made by Bluestone and information currently available to Bluestone. Generally, these assumptions include, among others: the presence of and continuity of metals at the Cerro Blanco Project at estimated grades; the availability of personnel, machinery, and equipment at estimated prices and within estimated delivery times; currency exchange rates; metals sales prices and exchange rates assumed; appropriate discount rates applied to the cash flows in economic analyses; tax rates and royalty rates applicable to the proposed mining operations; the availability of acceptable financing; the impact of the novel coronavirus (COVID-19); anticipated mining losses and dilution; success in realizing proposed operations; and anticipated timelines for community consultations and the impact of those consultations on the regulatory approval process.

Forward-Looking Statements (cont'd)

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of Bluestone to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, Bluestone. Factors that could cause actual results or events to differ materially from current expectations include, among other things: risks related to increasing community opposition to the Project and its effect on permitting and Project timelines; potential changes to the mining method and the current development strategy; risks and uncertainties related to expected production rates; timing and amount of production and total costs of production; risks and uncertainties related to the ability to obtain, amend, or maintain necessary licenses, permits, or surface rights; risks associated with technical difficulties in connection with mining development activities; risks and uncertainties related to the accuracy of mineral resource estimates and estimates of future production, future cash flow, total costs of production, and diminishing quantities or grades of mineral resources; changes in Project parameters as plans continue to be refined; title matters; risks associated with geopolitical uncertainty and political and economic instability in Guatemala; risks related to global epidemics or pandemics and other health crises, including the impact of the novel coronavirus (COVID-19); risks and uncertainties related to interruptions in production; risks related to Project working conditions, accidents or labour disputes; the possibility that future exploration, development, or mining results will not be consistent with Bluestone's expectations; uncertain political and economic environments and relationships with local communities and governmental authorities; risks relating to variations in the mineral content and grade within the mineral identified as mineral resources from that predicted; variations in rates of recovery and extraction; developments in world metals markets; and risks related to fluctuations in commodity prices and currency exchange rates. For a further discussion of risks relevant to Bluestone, see "Risk Factors" in the Company's annual information form for the year ended December 31, 2021, available on the Company's SEDAR profile at www.sedar.com.

Any forward-looking statement speaks only as of the date on which it was made, and except as may be required by applicable securities laws, Bluestone disclaims any intent or obligation to update any forward-looking statement, whether as a result of new information, future events or results, or otherwise. Although Bluestone believes that the assumptions inherent in the forward-looking statements are reasonable, forward-looking statements are not guarantees of future performance, and accordingly, undue reliance should not be put on such statements due to their inherent uncertainty. There can be no assurance that forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements.

Qualified Person

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

Overview

Bluestone is a Canadian-based precious metals exploration and development company focused on opportunities in Guatemala. The Company's flagship asset is Cerro Blanco, a near surface mine development project located in Southern Guatemala in the department of Jutiapa. The Company's head and registered office is located at 2000 - 885 West Georgia Street, Vancouver, BC, V6C 3E8. The Company trades under the symbol "BSR" on the TSX Venture Exchange ("TSXV") and "BBSRF" on the OTCQB.

Highlights for the Three Months Ended June 30, 2022

- On June 6, 2022, the Company provided the market with an update on Cerro Blanco, which adjusted previously communicated development timelines. Cerro Blanco activities were reduced to preserve capital until the environmental permit amendment is received, which is more reflective of a traditional approach to development projects.
- On April 6, 2022, the Company filed the N.I. 43-101 Technical Report and Feasibility Study on Cerro Blanco. The Company also announced the appointment of Mr. Robert Gill, P.Eng. as Vice President and Managing Director, Guatemala.

Project Updates

Cerro Blanco Gold Project

The Company has one principal mining property interest, namely Cerro Blanco. Elevar Resources, S.A. ("Elevar"), formerly Entre Mares de Guatemala S.A., a wholly-owned subsidiary of the Company, is the 100% owner of Cerro Blanco. An exploitation license for Cerro Blanco was granted in 2007. The Company is in the process of amending Cerro Blanco's environmental permit to capture the change to a surface mining method.

Permit amendment application

The Company submitted the permit amendment application for the change in mining method in November 2021. The amendment application is a comprehensive document that covers all aspects of Cerro Blanco in detail, building on the historical data and the previously approved 2007 Environmental Impact Assessment, to incorporate the open pit mining method. While aspects of Cerro Blanco's layout have increased in size, fundamental design characteristics remain unchanged, including the processing plant, filtered "dry stack" tailings, water management infrastructure and other facilities. During the three months ended June 30, 2022, meetings were held with Guatemalan national authorities to discuss the progress of the permit amendment application. The Company anticipates receiving the approval of the environmental permit amendment by the end of the year.

Project timelines

The Company has progressed project finance discussions with streamers, commercial banks, and private equity groups. Based on the initial indications that have been received, the availability of funding is contingent on the approval of the environmental permit amendment. As a result, the Company will wait to receive the permit amendment before committing capital to long-lead items, detailed engineering and further training programs for the construction phase.

Community relations

Progress to date from site development activities and the advancement of the environmental permit amendment has resulted in a continued increase in anti-mining activity, which is not uncommon in Guatemala. This anti-mining opposition is primarily based from outside of the region of the project and it is the Company’s view that in some circumstances their activities lack legal basis. The Company does not believe that these anti-mining and anti-development groups represent the underlying local stakeholder sentiment toward the project. The Company will continue to advance its community engagement and socialization efforts to safeguard social acceptance for the development of Cerro Blanco. The Company is committed to demonstrating responsible mining practices and formalizing social acceptance to continue advancing the project. Maintaining and building social acceptance in support of achieving the environmental permit amendment by year-end remains the main objective of the Company.

Project Updates (cont'd)

Bridge

Environmental, forestry, and construction permits for the new bridge were received from the Guatemalan authorities. Construction of the new bridge is underway with earthworks and pile installation nearing completion. Unfortunately, a severe weather incident occurred in June and washed out the existing bridge along with five other bridges in Guatemala. In addition to six bridges being totally destroyed, there was much destruction to infrastructure around the country, including nine other bridges being severely damaged.

Due to the impact of the storm event, the construction of the new bridge has been put on hold until design specifications can be validated for the current conditions. Additional studies and reviews are expected to be completed in Q3 2022 to determine a path forward. This is not expected to impact the Cerro Blanco project timeline.

Procurement and engineering

Procurement activities progressed during the three months ended June 30, 2022, with firm pricing being received for major equipment such as the mining fleet, grinding mills, and filter presses. Pricing received to date has been in line with the capital estimates in the Feasibility Study. With the work achieved to date, the Company is positioned to initiate detailed engineering once the permit amendment has been approved.

Mita Geothermal

The Company owns a 100% interest in Mita Geothermal through its wholly-owned subsidiary, Geotermia Oriental de Guatemala, S.A. ("Geotermia"). Mita Geothermal is a geothermal energy resource located adjacent to Cerro Blanco and is 7 kilometers from the Pan American Highway near the town of Asuncion Mita, in the region of Jutiapa in Guatemala. In November of 2015, the Government of Guatemala granted Geotermia a 50-year license to build and operate up to a 50-megawatt geothermal plant.

In line with Bluestone’s commitment to responsible development and reducing our carbon footprint with the development of the mine, the Company undertook additional work on the Mita Geothermal project in 2021. The Company completed a scoping study that incorporated a review of the historical data and testwork completed on the project. An updated reservoir calculation was completed that estimated a reserve capacity of over 20 MW. The scoping study focused on several different sizing scenarios ranging from 5 MW to 20 MW, and the results highlighted an economic project with an after-tax internal rate of return of over 15%. Additional work included geological and geophysical surveys to further refine injection well locations alongside the proven production wells.

It is currently forecasted that Guatemala’s energy matrix will transition to a more renewable mix as Guatemala has stated it is promoting more renewable energy usage and expanding the regional market. It is expected that greater private sector engagement will carry out projects of generation and transmission through the development of public-private partnerships. The Company continues to evaluate advancement options for Mita Geothermal as these developments occur.

Results of Operations for the Three Months Ended June 30, 2022 Compared to the Three Months Ended June 30, 2021

The Company's net loss for the three months ended June 30, 2022, totaled $8,317,451 or $0.06 per share as compared to a net loss of $7,537,260 or $0.05 per share for the three months ended June 30, 2021. Significant expenditures and variances are as follows:

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	(Increase) Decrease in Net Loss
Exploration and evaluation expenses [(1)]	**$5,745,900**	$5,158,765	($587,135)
General and administration			
Advertising and promotion	**45,818**	69,497	23,679
Corporate listing and filing fees	**17,509**	13,080	(4,429)
Office and general	**378,642**	320,997	(57,645)
Professional fees	**247,670**	108,669	(139,001)
Salaries and wages	**873,399**	779,708	(93,691)
Share-based compensation	**229,370**	481,061	251,691
	(7,538,308)	(6,931,777)	(606,531)
Interest income	**62,343**	103,473	(41,130)
Finance expenses	**(78,265)**	(4,858)	(73,407)
Accretion expense	**(112,185)**	(105,254)	(6,931)
Other expenses	**(106,743)**	(21,385)	(85,358)
Foreign exchange loss	**(153,318)**	(469,303)	315,985
Loss before income tax	**(7,926,476)**	(7,429,104)	(497,372)
Income tax expenses	**(390,975)**	(108,156)	(282,819)
Net loss	**($8,317,451)**	($7,537,260)	($780,191)

[(1)] Exploration and evaluation expenses for the three months ended June 30, 2022 and 2021, were for the following:

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021
Cerro Blanco general and exploration expenditures	**$3,473,451**	$2,750,417
Cerro Blanco Feasibility Study, preliminary economic assessment and pre-development expenditures	**1,759,664**	1,968,715
Corporate social responsibility and community relations	**424,939**	362,544
Mita Geothermal evaluation	**4,821**	11,464
Depreciation	**83,025**	65,625
	$5,745,900	$5,158,765

Results of Operations for the Six Months Ended June 30, 2022 Compared to the Six Months Ended June 30, 2021

The Company's net loss for the six months ended June 30, 2022, totaled $15,007,115 or $0.10 per share as compared to a net loss of $14,816,920 or $0.10 per share for the six months ended June 30, 2021. Significant expenditures and variances are as follows:

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021	(Increase) Decrease in Net Loss
Exploration and evaluation expenses [1]	**$10,972,172**	$10,451,217	($520,955)
General and administration			
Advertising and promotion	**116,624**	282,452	165,828
Corporate listing and filing fees	**78,144**	71,023	(7,121)
Office and general	**767,448**	581,102	(186,346)
Professional fees	**389,010**	164,250	(224,760)
Salaries and wages	**1,419,400**	1,520,709	101,309
Share-based compensation	**858,478**	1,177,727	319,249
	(14,601,276)	(14,248,480)	(352,796)
Interest income	**88,478**	227,562	(139,084)
Finance expenses	**(94,829)**	(64,914)	(29,915)
Accretion expense	**(222,951)**	(209,226)	(13,725)
Other expenses	**(102,842)**	(13,462)	(89,380)
Foreign exchange loss	**(154,038)**	(754,045)	600,007
Loss before income tax	**(15,087,458)**	(15,062,565)	(24,893)
Income tax recovery	**80,343**	245,645	(165,302)
Net loss	**($15,007,115)**	($14,816,920)	($190,195)

[1] Exploration and evaluation expenses for the six months ended June 30, 2022 and 2021, were for the following:

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Cerro Blanco general and exploration expenditures	**$6,351,882**	$6,561,182
Cerro Blanco Feasibility Study, preliminary economic assessment and pre-development expenditures	**3,421,282**	2,986,891
Corporate social responsibility and community relations	**1,024,529**	743,553
Mita Geothermal evaluation	**7,185**	19,905
Depreciation	**167,294**	139,686
	$10,972,172	$10,451,217

Summary of Quarterly Results

The following table summarizes selected financial data reported by the Company for the three months ended June 30, 2022, and the previous seven quarters:

	June 30, 2022	March 31, 2022	December 31, 2021	September 30, 2021	June 30, 2021	March 31, 2021	December 31, 2020	September 30, 2020
Current assets	**$3,805,526**	$12,163,984	$18,962,861	$32,547,978	$42,179,739	$49,508,306	$50,498,497	$56,929,211
Property, plant and equipment	**24,959,094**	24,013,184	22,221,840	14,201,894	9,046,892	7,355,948	4,645,876	5,016,920
Exploration and evaluation assets	**30,126,433**	30,126,433	30,126,433	30,126,433	30,126,433	30,126,433	30,126,433	30,126,433
Total assets	**60,659,906**	68,080,431	73,080,302	78,642,612	83,116,580	88,757,967	87,019,390	93,816,858
Current liabilities	**5,826,246**	5,930,381	4,839,224	4,316,707	2,732,570	2,407,236	2,980,812	3,035,421
Working capital (deficit)	**(2,020,720)**	6,233,603	14,123,637	28,231,271	39,447,169	47,101,070	47,517,685	53,893,790
Net loss	**(8,317,451)**	(6,689,664)	(7,269,408)	(7,129,181)	(7,537,260)	(7,279,660)	(9,560,183)	(8,639,298)
Basic and diluted loss per share	**(0.06)**	(0.04)	(0.05)	(0.05)	(0.05)	(0.05)	(0.07)	(0.06)
Weighted avg. shares outstanding	**151,149,788**	150,682,416	150,188,918	150,158,483	150,144,563	144,961,360	143,538,463	143,231,017

Increases in property, plant and equipment during 2021 and 2022 were mainly due to the purchase of land required for the Cerro Blanco open pit development scenario. Quarterly results mainly fluctuate due to the level of exploration and evaluation activities, such as drilling programs and engineering activities, and fluctuations in the C$/US$ rate. There are no seasonal fluctuations in the results for the presented periods.

Liquidity and Capital Resources

Cash decreased by $15,397,753 during the six months ended June 30, 2022, from $18,285,126 as at December 31, 2021, to $2,887,373 as at June 30, 2022. Cash utilized in operating activities during the six months ended June 30, 2022, was $14,859,534 (six months ended June 30, 2021 - $13,034,962). Cash used in investing activities during the six months ended June 30, 2022, was $2,089,862 (six months ended June 30, 2021 - $3,958,899), mainly for the acquisition of property, plant and equipment. During the six months ended June 30, 2022, the Company generated cash from financing activities, mainly from drawing on a loan facility, of $1,595,170 compared to $8,565,517 during the six months ended June 30, 2021, which was mainly from exercising of warrants.

As at June 30, 2022, share capital was $179,762,083 and was comprised of 151,157,683 issued and outstanding common shares (December 31, 2021 - $178,674,062 comprised of 150,358,483 shares outstanding). The increase in outstanding common shares during the six months ended June 30, 2022, was mainly the result of the exercising of stock options. Reserves, which increased due to the vesting of stock options, were $11,738,147 (December 31, 2021 - $11,093,459). As a result of the net loss for the six months ended June 30, 2022, the deficit at June 30, 2022, increased to $160,752,939 from $145,745,824 at December 31, 2021. Accordingly, shareholders' equity on June 30, 2022, was $42,034,784 compared to $55,282,092 at December 31, 2021.

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

As at June 30, 2022, the Company had a working capital deficit of $2,020,720. While management expects that the Company will be able to meet its existing obligations and commitments and fund ongoing operations for at least the next twelve months from June 30, 2022, the Company anticipates the need for further funding to support the advancement of Cerro Blanco and to meet general corporate and working capital requirements. The Company is currently evaluating potential sources of funding, in addition to drawing on the Loan from related parties (described below). Historically, capital requirements have been primarily funded through the sale of equity instruments, the exercise of convertible securities and drawing from credit facilities. Many factors influence the Company's ability to raise funds, including the approval of the Cerro Blanco environmental permit amendment (see "Project Updates"), the health of the resource market, the climate for mineral exploration and resource development investments, the Company's track record, the economics of the Feasibility Study and the experience and caliber of its management. Actual funding requirements may vary from those planned due to a number of factors, including the progress and results of drilling activities. Management believes it will be able to raise equity capital and/ or debt as required but recognizes there will be risks involved that may be beyond its control. Based on the amount of funding raised, the Company's planned initiatives and other work programs may be postponed, or otherwise revised, as necessary.

Loan

On March 11, 2022, the Company established a $30,000,000 loan facility (the "Loan") with Zebra Holdings and Investments S.à.r.l and Lorito Holdings S.à.r.l (the "Lender"). The Loan provides for the drawdown of funds by the Company in tranches of not less than $1,000,000.

The Lender and its affiliates are significant shareholders of the Company, making them a related party.

In consideration for the Loan, the Company issued 150,000 common shares of the Company with a fair value of $234,670 to the Lender upon execution (the "Initial Shares"), and will issue an additional 4,000 common shares per month (pro-rated for partial months) for each $1,000,000 of the principal amount outstanding under the Loan from time to time up to March 11, 2023 (the "Maturity Date").

As at June 30, 2022, the Company had a Loan payable of $1,000,000. During the six months ended June 30, 2022, the Company incurred transaction costs of $274,935 in connection with the Loan. These transaction costs, which included the Initial Shares, were recognized as prepaid expenses and other current assets in the consolidated statement of financial position and amortized using the straight-line method to the Maturity Date.

Risks and Uncertainties

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

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

An analysis of these risks and uncertainties, as they have the potential to impact the Company, can be found in the Company's Annual Information Form and MD&A for the year ended December 31, 2021. The risks and uncertainties have not changed from those disclosed in the Company's Annual Information Form and MD&A for the twelve months ended December 31, 2021.

Outstanding Share Data

Bluestone's authorized capital consists of an unlimited number of common shares and an unlimited number of preferred shares without par value. No preferred shares have been issued to date. The following common shares and stock options are outstanding as at August 16, 2022:

	Number of Shares	Exercise Price C$	Remaining life (years)
Issued and Outstanding Common Shares	151,164,263		
Stock options	9,154,200	1.15 - 1.91	0.66 - 4.59
Fully diluted at August 16, 2022	**160,318,463**		

Off Balance Sheet Arrangements

The Company does not utilize off balance sheet arrangements.

Transactions with Related Parties

Key management compensation

Key management personnel include those persons having authority and responsibility for planning, directing and controlling the activities of the Company. The Company has determined that key management personnel consist of the following executive and non-executive positions of the Company for the three and six months ended June 30, 2022 and 2021: Members of the Board of Directors; President; Chief Executive Officer; Chief Financial Officer; Vice President and Managing Director, Guatemala; and Vice President, Exploration. The remuneration of key management personnel included in the consolidated statements of loss and comprehensive loss is as follows:

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	**Six Months Ended June 30, 2022**	Six Months Ended June 30, 2021
Salaries	**$459,051**	$349,138	**$873,428**	$818,776
Share-based compensation	**184,572**	439,399	**691,618**	1,012,445
	$643,623	$788,537	**$1,565,046**	$1,831,221

Accrued compensation due to key management as at June 30, 2022, was $280,343 (December 31, 2021 - $553,136).

Financial Instruments and Financial Risk Management

A description of the Company's financial instruments and financial risk management can be found in notes 9 and 10, respectively, of the Company's condensed interim consolidated financial statements for the three and six months ended June 30, 2022.

Significant Accounting Policies, Estimates and Judgments

A description of the Company's significant accounting policies, estimates and judgments, can be found in note 2, of the Company's audited consolidated financial statements for the year ended December 31, 2021.

New Standards and Interpretations Adopted

A description of the International Accounting Standards Board's new standards and interpretations adopted by the Company can be found in note 2(c) of the Company's unaudited condensed interim consolidated financial statements for the three and six months ended June 30, 2022.

Disclosure of Internal Controls

Management has established processes to provide them with sufficient knowledge to support representations that they have exercised reasonable diligence that: (i) the condensed interim consolidated financial statements for the three and six months ended June 30, 2022, do not contain any untrue statement of material fact or omit to state a material fact required to be stated or that is necessary to make a statement not misleading in light of the circumstances under which it is made, and (ii) the condensed interim consolidated financial statements for the three and six months ended June 30, 2022, fairly present in all material respects the financial condition, results of operations and cash flow of the Company.

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

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

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

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

Approval

The Board of Directors of Bluestone has approved the disclosure contained in this MD&A on August 16, 2022. A copy of this MD&A will be provided to anyone who requests it.

Additional Information

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

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bluestone RESOURCES

CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

For the Three and Six Months Ended June 30, 2022 and 2021

(Unaudited)

Bluestone Resources Inc.

Consolidated Statements of Financial Position

(Expressed in United States dollars - Unaudited)

	Notes	June 30, 2022	December 31, 2021
Current assets			
Cash and cash equivalents		**$2,887,373**	$18,285,126
Accounts receivable		**314,372**	87,859
Equity securities		**176,864**	247,636
Prepaid expenses and other current assets		**313,923**	253,032
Inventory		**112,994**	89,208
		3,805,526	18,962,861
Non-current assets			
Restricted cash		**1,768,853**	1,769,168
Property, plant and equipment	3	**24,959,094**	22,221,840
Exploration and evaluation asset		**30,126,433**	30,126,433
Total assets		**$60,659,906**	$73,080,302
Current liabilities			
Trade and other payables	4	**$4,826,246**	$4,839,224
Loan payable	5	**1,000,000**	—
		5,826,246	4,839,224
Non-current liabilities			
Other liabilities	4	**2,500,348**	2,792,496
Rehabilitation provisions		**8,845,245**	8,630,047
Deferred income tax liabilities		**1,453,283**	1,536,443
Total liabilities		**18,625,122**	17,798,210
Shareholders' equity			
Share capital	6	**179,762,083**	178,674,062
Reserves		**11,738,147**	11,093,459
Accumulated other comprehensive income		**11,287,493**	11,260,395
Deficit		**(160,752,939)**	(145,745,824)
Total shareholders' equity		**42,034,784**	55,282,092
Total liabilities and shareholders’ equity		**$60,659,906**	$73,080,302

Events after the reporting period (notes 3)

Approved on August 16, 2022, on behalf of the Board of Directors:

"Zara Boldt"	*"Jack Lundin"*
Zara Boldt, Director	Jack Lundin, Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Bluestone Resources Inc.

Consolidated Statements of Loss and Comprehensive Loss

(Expressed in United States dollars - Unaudited)

	Notes	**Three Months Ended June 30, 2022**	Three Months Ended June 30, 2021	**Six Months Ended June 30, 2022**	Six Months Ended June 30, 2021
Operating expenses					
Exploration and evaluation expenses	7	**$5,745,900**	$5,158,765	**$10,972,172**	$10,451,217
General and administration					
Advertising and promotion		**45,818**	69,497	**116,624**	282,452
Corporate listing and filing fees		**17,509**	13,080	**78,144**	71,023
Office and general		**378,642**	320,997	**767,448**	581,102
Professional fees		**247,670**	108,669	**389,010**	164,250
Salaries and wages		**873,399**	779,708	**1,419,400**	1,520,709
Share-based compensation	6	**229,370**	481,061	**858,478**	1,177,727
		(7,538,308)	(6,931,777)	**(14,601,276)**	(14,248,480)
Other income (expenses)					
Interest income		**62,343**	103,473	**88,478**	227,562
Finance expenses		**(78,265)**	(4,858)	**(94,829)**	(64,914)
Accretion expense		**(112,185)**	(105,254)	**(222,951)**	(209,226)
Loss on disposal of property, plant and equipment		**(106,743)**	(21,385)	**(102,842)**	(13,462)
Foreign exchange loss		**(153,318)**	(469,303)	**(154,038)**	(754,045)
Loss before income tax		**(7,926,476)**	(7,429,104)	**(15,087,458)**	(15,062,565)
Income tax (expense) recovery		**(390,975)**	(108,156)	**80,343**	245,645
Net loss		**(8,317,451)**	(7,537,260)	**(15,007,115)**	(14,816,920)
Other comprehensive income items that will not be reclassified to net loss:					
(Loss) gain on equity securities		**(141,140)**	36,722	**(67,679)**	—
Translation adjustment		**(41,438)**	831,230	**94,777**	1,430,059
Comprehensive loss		**($8,500,029)**	($6,669,308)	**($14,980,017)**	($13,386,861)
Weighted average number of common shares outstanding – basic and diluted		**151,149,788**	150,144,563	**150,917,393**	147,567,280
Basic and diluted loss per common share		**($0.06)**	($0.05)	**($0.10)**	($0.10)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Bluestone Resources Inc.

Consolidated Statements of Changes in Shareholders' Equity

(Expressed in United States dollars - Unaudited)

		Share capital					
	Notes	**Shares**	**Amount**	**Reserves**	**Accumulated other comprehensive income**	**Deficit**	**Total shareholders' equity**
Balance, January 1, 2021		143,547,376	$168,677,315	$10,702,958	$10,805,015	($116,530,315)	$73,654,973
Share-based compensation	6	—	—	1,177,727	—	—	1,177,727
Exercise of options	6	526,667	780,453	(156,287)	—	—	624,166
Exercise of warrants		6,084,440	8,927,467	(951,242)	—	—	7,976,225
Comprehensive income (loss) for the period		—	—	—	1,430,059	(14,816,920)	(13,386,861)
Balance, June 30, 2021		150,158,483	$178,385,235	$10,773,156	$12,235,074	($131,347,235)	$70,046,230
Balance, January 1, 2022		150,358,483	$178,674,062	$11,093,459	$11,260,395	($145,745,824)	$55,282,092
Loan consideration	5	**152,400**	**238,376**	**—**	**—**	**—**	**238,376**
Share-based compensation	6	**—**	**—**	**858,478**	**—**	**—**	**858,478**
Exercise of options	6	**646,800**	**849,645**	**(213,790)**	**—**	**—**	**635,855**
Comprehensive income (loss) for the period		**—**	**—**	**—**	**27,098**	**(15,007,115)**	**(14,980,017)**
Balance, June 30, 2022		**151,157,683**	**$179,762,083**	**$11,738,147**	**$11,287,493**	**($160,752,939)**	**$42,034,784**

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

Bluestone Resources Inc.
Consolidated Statements of Cash Flows
(Expressed in United States dollars - Unaudited)

	Notes	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Cash used in operating activities			
Net loss for the period		**($15,007,115)**	($14,816,920)
Adjustments for:			
Accretion expense		**222,951**	209,226
Depreciation	3	**167,294**	179,626
Share-based compensation	6	**858,478**	1,177,727
Interest income		**(88,478)**	(227,562)
Loss on disposal of property, plant and equipment		**106,732**	26,339
Income tax recovery		**(80,343)**	(245,645)
Non-cash foreign exchange loss		**125,831**	804,139
Changes in non-cash working capital:			
Accounts receivable		**(195,097)**	29,381
Prepaid expenses and other current assets		**213,428**	272,173
Inventory		**(23,786)**	(30,689)
Trade and other payables		**(1,159,429)**	(412,757)
Cash used in operating activities		**(14,859,534)**	(13,034,962)
Cash used in investing activities			
Purchase of property, plant and equipment		**(2,145,647)**	(4,451,644)
Interest received		**55,785**	492,745
Cash used in investing activities		**(2,089,862)**	(3,958,899)
Cash generated by financing activities			
Funds received from Loan	5	**1,000,000**	—
Loan fees		**(40,685)**	(4,500)
Proceeds from exercise of options		**635,855**	624,166
Proceeds from exercise of warrants		—	7,976,225
Lease principal repayments		—	(26,971)
Interest paid		—	(3,403)
Cash generated by financing activities		**1,595,170**	8,565,517
Effects of foreign exchange rate changes on cash and cash equivalents		**(43,527)**	622,591
Decrease in cash and cash equivalents		**(15,397,753)**	(7,805,753)
Cash and cash equivalents, beginning of the period		**18,285,126**	49,334,074
Cash and cash equivalents, end of the period		**$2,887,373**	$41,528,321

Supplemental cash flow information (note 11)

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

1. Nature of Operations and Liquidity

Bluestone Resources Inc. ("Bluestone" or the "Company"), incorporated on November 7, 2000, under the Business Corporations Act (Alberta) and continued into British Columbia on June 13, 2005, 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 ("Cerro Blanco"), a near surface mine development project located in Southern Guatemala in the department of Jutiapa. The Company's head and registered office is located at 2000 - 885 West Georgia Street, Vancouver, BC, V6C 3E8. The Company trades under the symbol “BSR” on the TSX Venture Exchange ("TSXV") and “BBSRF” on the OTCQB.

While the condensed interim consolidated financial statements have been prepared on the basis that the Company will continue as a going concern, which assumes that it will be able to meet its existing obligations and commitments and fund ongoing operations in the normal course of business for at least twelve months from June 30, 2022, the Company anticipates the need for further funding to support the advancement of Cerro Blanco and to meet general corporate and working capital requirements. The Company is currently evaluating potential sources of funding, in addition to drawing on the Loan from related parties (note 5). Historically, capital requirements have been primarily funded through the sale of equity instruments, the exercise of convertible securities and drawing from credit facilities. There can be no assurances that the Company will be able to extend the maturity of its loan facility, obtain additional financing on satisfactory terms and/or achieve profitability or positive cash flows from its future operations. Based on the amount of funding raised, the Company's planned initiatives and other work programs may be postponed, or otherwise revised, as necessary.

2. Significant Accounting Policies, Estimates and Judgments

a) Basis of presentation, principles of consolidation and statement of compliance

These condensed interim consolidated financial statements should be read in conjunction with our audited consolidated financial statements for the year ended December 31, 2021.

These condensed interim consolidated financial statements have been prepared in accordance with International Financial Reporting Standards as issued by the International Accounting Standards Board ("IFRS") applicable to the preparation of interim financial statements, including IAS 34, *Interim financial reporting*.

The condensed interim consolidated financial statements were authorized for issue by the Board of Directors on August 16, 2022.

For all periods presented, these condensed interim consolidated financial statements include the accounts of the Company and its subsidiaries. All intercompany balances and transactions have been eliminated upon consolidation. A subsidiary is an entity in which the Company has control, directly or indirectly. The Company controls an entity when the Company is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity.

2. Significant Accounting Policies, Estimates and Judgments (cont'd)

b) Significant accounting estimates and judgments

The preparation of financial statements in conformity with IFRS requires the use of judgments and estimates that affect the amounts reported and disclosed in the consolidated financial statements and related notes. These judgments and estimates are based on management's best knowledge of the relevant facts and circumstances, having regard to previous experience, but actual results may differ materially from the amounts included in the financial statements. The critical estimates and judgments applied in the preparation of the unaudited condensed interim consolidated financial statements for the six months ended June 30, 2022, are consistent with those applied and disclosed in note 2(q) to the Company's audited consolidated financial statements for the year ended December 31, 2021.

c) New standards and interpretations adopted

Certain new standards, interpretations, amendments and improvements to existing standards were issued by the International Accounting Standards Board. The following were adopted by the Company on January 1, 2022:

- IAS 16, *Property, Plant and Equipment* ("IAS 16"): Amendments to IAS 16 prohibit a company from deducting from the cost of property, plant and equipment amounts received from selling items produced while the company is preparing the asset for its intended use. Instead, a company will recognize such sales proceeds and related costs in profit or loss. The amendments to IAS 16 are effective for annual reporting periods beginning on or after January 1, 2022. The amendment had no impact on adoption to the Company during the six months ended June 30, 2022.

(Expressed in United States dollars - Unaudited)

3. Property, Plant and Equipment

	June 30, 2022		
	Land	**Plant and equipment (1)**	**Total**
Cost			
Balance, January 1, 2022	$17,332,131	$6,418,024	$23,750,155
Additions	2,530,993	480,287	3,011,280
Disposals	—	(134,375)	(134,375)
Balance, June 30, 2022	**19,863,124**	**6,763,936**	**26,627,060**
Accumulated depreciation			
Balance, January 1, 2022	—	(1,528,315)	(1,528,315)
Charge for the year	—	(167,294)	(167,294)
Disposals	—	27,643	27,643
Balance, June 30, 2022	**—**	**(1,667,966)**	**(1,667,966)**
Net book value at June 30, 2022	**$19,863,124**	**$5,095,970**	**$24,959,094**

(1) Includes assets under construction of $2,250,040 at June 30, 2022. Subsequent to the period end, assets under construction of $776,040 were returned to the supplier for proceeds of $776,144.

	December 31, 2021		
	Land	Plant and equipment (2)	Total
Cost			
Balance, January 1, 2021	$907,858	$5,014,779	$5,922,637
Additions	16,424,273	1,478,919	17,903,192
Write-downs	—	(73,743)	(73,743)
Translation differences	—	(1,931)	(1,931)
Balance, December 31, 2021	17,332,131	6,418,024	23,750,155
Accumulated depreciation			
Balance, January 1, 2021	—	(1,276,761)	(1,276,761)
Charge for the year	—	(319,978)	(319,978)
Write-downs	—	68,424	68,424
Balance, December 31, 2021	—	(1,528,315)	(1,528,315)
Net book value at December 31, 2021	$17,332,131	$4,889,709	$22,221,840

(2) Includes assets under construction of $1,808,527 at December 31, 2021.

(Expressed in United States dollars - Unaudited)

4. Trade and Other Payables

	June 30, 2022	December 31, 2021
Trade payables	**$897,023**	$470,339
Accrued liabilities	**221,605**	1,278,577
Payroll liabilities	**760,767**	1,399,518
Rehabilitation provisions	**7,753**	21,444
Other liabilities (1)	**5,439,446**	4,461,842
	$7,326,594	$7,631,720
Non-current portion of other liabilities (1)(2)	**(2,500,348)**	(2,792,496)
Current trade and other payables	**$4,826,246**	$4,839,224

(1) Other liabilities include amounts relating to land purchase agreements payable from 2022 to 2025. As at June 30, 2022, current and non-current other liabilities relating to these agreements were $2,431,739 and $2,357,153, respectively (December 31, 2021 - $1,669,346 and $2,142,264).

(2) The Company has agreements with previous landowners from which the Company had purchased land. These agreements do not relate to the purchases of land and were recognized as exploration and evaluation expenses in the consolidated statement of loss during the year ended December 31, 2021. As at June 30, 2022, current and non-current other liabilities relating to these agreements were $507,359 and $143,195, respectively (December 31, 2021 - $nil and $650,232).

5. Loan

On March 11, 2022, the Company established a $30,000,000 loan facility (the "Loan") with Zebra Holdings and Investments S.à.r.l and Lorito Holdings S.à.r.l (the "Lender"). The Loan provides for the drawdown of funds by the Company in tranches of not less than $1,000,000.

The Lender and its affiliates are significant shareholders of the Company, making them a related party.

In consideration for the Loan, the Company issued 150,000 common shares of the Company with a fair value of $234,670 to the Lender upon execution (the "Initial Shares"), and will issue an additional 4,000 common shares per month (pro-rated for partial months) for each $1,000,000 of the principal amount outstanding under the Loan from time to time up to March 11, 2023 (the "Maturity Date").

As at June 30, 2022, the Company had a Loan payable of $1,000,000. During the six months ended June 30, 2022, the Company incurred transaction costs of $274,935 in connection with the Loan. These transaction costs, which included the Initial Shares, were recognized as prepaid expenses and other current assets in the consolidated statement of financial position and amortized using the straight-line method to the Maturity Date.

(Expressed in United States dollars - Unaudited)

6. Share Capital

As at June 30, 2022, the Company's authorized share capital consists of an unlimited number of common shares without par value and an unlimited number of preferred shares without par value.

a) Stock options

The changes in stock options outstanding during the six months ended June 30, 2022, and year ended December 31, 2021, were as follows:

	June 30, 2022		December 31, 2021	
	Number of options	**Weighted avg. exercise price (C$/option)**	Number of options	Weighted avg. exercise price (C$/option)
Outstanding, beginning of period	**7,533,000**	**$1.63**	5,685,667	$1.57
Granted	**2,268,000**	**1.91**	2,715,000	1.70
Exercised	**(646,800)**	**(1.25)**	(726,667)	(1.49)
Forfeited	**—**	**—**	(141,000)	(1.70)
Outstanding, end of period	**9,154,200**	**$1.72**	7,533,000	$1.63

6,957,866 of the stock options outstanding as at June 30, 2022, are exercisable, at a weighted average exercise price of C$1.68 per option.

The weighted average fair value of the stock options granted during the six months ended June 30, 2022, and year ended December 31, 2021, were estimated to be C$0.73 and C$0.66 per stock option, respectively, using the Black-Scholes option pricing model with the following weighted average assumptions:

	June 30, 2022	December 31, 2021
Risk-free rate	**1.82 %**	0.55 %
Volatility	**55.37 %**	54.15 %
Dividend yield	**— %**	— %
Expected life	**3 years**	3 years

The stock options granted during the six months ended June 30, 2022, have an expiry date of March 17, 2027.

During the three and six months ended June 30, 2022, the Company recognized share-based compensation expense of $229,370 and $858,478 (three and six months ended June 30, 2021 - $481,061 and $1,177,727) in the consolidated statement of loss relating to the stock options.

(Expressed in United States dollars - Unaudited)

7. Exploration and Evaluation Expenses

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	**Six Months Ended June 30, 2022**	Six Months Ended June 30, 2021
Cerro Blanco general and exploration expenditures	**$3,473,451**	$2,750,417	**$6,351,882**	$6,561,182
Cerro Blanco feasibility study, preliminary economic assessment and pre-development expenditures	**1,759,664**	1,968,715	**3,421,282**	2,986,891
Corporate social responsibility and community relations	**424,939**	362,544	**1,024,529**	743,553
Mita Geothermal evaluation	**4,821**	11,464	**7,185**	19,905
Depreciation	**83,025**	65,625	**167,294**	139,686
	$5,745,900	$5,158,765	**$10,972,172**	$10,451,217

8. Related Party Transactions - Key Management Compensation

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

	Three Months Ended June 30, 2022	Three Months Ended June 30, 2021	**Six Months Ended June 30, 2022**	Six Months Ended June 30, 2021
Salaries	**$459,051**	$349,138	**$873,428**	$818,776
Share-based compensation	**184,572**	439,399	**691,618**	1,012,445
	$643,623	$788,537	**$1,565,046**	$1,831,221

Accrued compensation due to key management as at June 30, 2022, was $280,343 (December 31, 2021 - $553,136).

9. Financial Instruments

The fair value hierarchy establishes three levels to classify the inputs of valuation techniques used to measure fair value. As required by IFRS 13, *Fair Value Measurement*, assets and liabilities are classified in their entirety based on the lowest level of input that is significant to the fair value measurement. The three levels of the fair value hierarchy are described below:

Level 1: Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2: Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3: Inputs that are unobservable (supported by little or no market activity).

The Company holds equity securities of a publicly traded company which are categorized as Level 1. The equity securities are measured at fair value through other comprehensive income and are valued using a market approach based upon unadjusted quote prices in an active market obtained from securities exchanges.

The fair values of the Company's cash and cash equivalents, restricted cash, trade and other payables and Loan payable approximate their carrying values, which are the amounts recorded on the consolidated statement of financial position, due to their short-term nature. The Company's other liabilities approximate its carrying value due to the consistency of the credit risk of the Company since the initial recognition of the instruments. The Company's other liabilities are categorized as Level 2.

10. Financial Risk Management

a) Credit risk

Credit risk is the risk of loss associated with a counter-party's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to its cash and cash equivalents and restricted cash. Management believes that the credit risk with respect to these financial instruments is low as the balances primarily consist of amounts on deposit with a major financial institution. The maximum exposure to credit risk as at June 30, 2022, was $4,889,114 (December 31, 2021 - $20,054,294).

b) Liquidity risk

The Company's approach to managing liquidity risk is to try to ensure that it will have sufficient liquidity to meet liabilities when due (note 1). As at June 30, 2022, the Company had a cash balance of $2,887,373 (December 31, 2021 - $18,285,126) to settle current liabilities of $5,826,246 (December 31, 2021 - $4,839,224). All of the Company's financial liabilities are subject to commercial trade terms.

As a part of the terms of the Company's acquisition of Cerro Blanco in 2017, the Company is required to make a payment of $15,000,000 within six months of the commencement of commercial production at Cerro Blanco and pay a 1% net smelter returns royalty on the sale of gold and silver produced from Cerro Blanco. In August 2020, the terms of the $15,000,000 payment were amended so that the Company is required to make payments totaling approximately $16,000,000 staggered over 12 to 27 months following the commencement of commercial production at Cerro Blanco. These payments are not recognized as liabilities in the consolidated statement of financial position as at June 30, 2022. These payments will be recognized as liabilities in the consolidated statement of financial position upon commencement of commercial production at Cerro Blanco.

10. Financial Risk Management (cont'd)

c) Market risk

Market risk is the risk of loss that may arise from changes in market factors such as interest rates, foreign exchange rates and prices.

Interest rate risk

Interest rate risk is the risk that the fair values or future cash flows of the Company's financial instruments will fluctuate because of changes in market interest rates. Interest rate risk arises from the interest rate impact on cash and cash equivalents because these are the financial instruments held by the Company that are impacted by interest based on variable market interest rates. The Company manages interest rate risk by maintaining an investment policy for short-term investments and cash held in banks, which focuses on preservation of capital and liquidity. The Company periodically monitors the investments it makes and is satisfied with the credit ratings of its banking institutions. The Company monitors its exposure to interest rates closely and has not entered into any derivative contracts to manage its risk. As at June 30, 2022, the weighted average interest rate earned on the Company's cash and cash equivalents was 1.40%. With other variables unchanged, a change in the annualized interest rate of a hundred basis points at June 30, 2022, would impact after-tax net loss by approximately $20,000.

Foreign currency risk

The Company is exposed to foreign currency risk in connection with its Canadian dollar and Guatemala quetzal denominated financial instruments. A 10% fluctuation in the C$/US$ rate as at June 30, 2022, would result in an approximate $96,000 decrease/increase in net loss and an approximate $67,000 decrease/increase in other comprehensive loss. A 10% fluctuation in the US$/Guatemala quetzal rate as at June 30, 2022, would result in an approximate $379,000 decrease/increase in net loss.

Price risk

The Company's financial instruments are exposed to price risk with respect to equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings or other comprehensive income due to movements in individual equity prices or general movements in the level of the stock market. The Company closely monitors individual equity movements and the stock market to determine the appropriate course of action to be taken by the Company.

d) Capital Management

The Company's objective when managing capital is to safeguard the Company's ability to continue as a going concern, so that it can continue to explore and develop its projects for the benefit of its shareholders and other stakeholders. The Company considers the components of shareholders' equity as capital. The Company manages the capital structure in light of changes in economic conditions and the risk characteristics of the underlying assets. The Company may issue new shares through private or public placements in order to maintain or adjust the capital structure.

There were no changes to the Company's approach to capital management during the six months ended June 30, 2022. The Company is not subject to externally imposed capital requirements.

(Expressed in United States dollars - Unaudited)

11. Supplemental Cash Flow Information

Cash and cash equivalents included no short-term investments as at June 30, 2022 and December 31, 2021.

Non-cash financing transactions during the six months ended June 30, 2022 and 2021, were as follows:

	Six Months Ended June 30, 2022	Six Months Ended June 30, 2021
Shares issued in relation to the Loan	**$238,376**	$—
Transfer of reserves on exercise of options	**(213,790)**	(156,287)
Transfer of reserves on exercise of warrants	**—**	(951,242)