

Bluestone Increases Mineral Resources at the Cerro Blanco Gold Project

September 10, 2018 – VANCOUVER, BRITISH COLUMBIA – Bluestone Resources Inc. (TSXV:BSR | OTCQB:BBSRF) ("Bluestone" or the "Company") is pleased to announce a new high-grade mineral resource estimate (the "High-Grade Resource Estimate") for the Cerro Blanco Gold project in Guatemala. The Cerro Blanco Gold project is permitted for a high-grade underground mine and is currently undergoing a Feasibility Study which is focused on the development of an underground operation that incorporates the High-Grade Resource Estimate.

Highlights of the High-Grade Resource Estimate (3.5 g/t Au cut-off)

- Measured Resource totalling 96,184 ounces or 290,153 tonnes grading 10.31 g/t Au
- Indicated Resource and grades in line with expectations – 1,105,284 ounces or 3,426,400 tonnes grading 10.03 g/t Au
- Inferred Resource of 357,319 ounces or 1,373,342 tonnes grading 8.09 g/t Au, an increase of 308,000 from the PEA at the same cut-off
- The Inferred ounces mainly comprise expansions to the known veins and present an opportunity for conversion to higher categories by additional infill drilling

In addition to the High-Grade Resource Estimate, a bulk tonnage resource estimate (the "Bulk Tonnage Resource Estimate") was undertaken that includes the low-grade disseminated mineralization in the overlying silicified cap and the high-grade veins and their low-grade mineralized envelopes. The Bulk Tonnage Resource Estimate demonstrates a future opportunity should a mining method from surface ever be considered.

Table 1. Cerro Blanco High-Grade Resource Estimate at a 3.5 g/t Au cut-off

Resource Category	Tonnes	Au Grade g/t	Ag Grade g/t	Contained Gold (Oz)	Contained Silver (Oz)
Measured	290,153	10.3	39.1	96,184	365,106
Indicated	3,426,400	10.0	37.8	1,105,284	4,163,517
Measured & Indicated	3,717,630	10.1	37.9	1,201,468	4,528,623
Inferred	1,373,342	8.1	23.6	357,319	1,041,057

- Effective date: July 22, 2018. All Mineral Resources have been estimated in accordance with Canadian Institute of Mining and Metallurgy and Petroleum ("CIM") definitions, as required under NI 43-101. Mineral Resource Statement prepared by Garth Kirkham (Kirkham Geosystems Ltd.) in accordance with NI 43-101.
- Mineral Resources reported demonstrate reasonable prospect of eventual economic extraction, as required under NI 43-101. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. The Mineral Resources may be materially affected by environmental, permitting, legal, marketing, and other relevant issues.
- Underground Mineral Resources are reported at a cut-off grade of 3.5 g/t Au. Cut-off grades are based on a price of US\$1,250/oz gold, US\$16/oz silver, and a number of operating cost and recovery assumptions, including a reasonable contingency factor.
- Ounce (troy) = metric tonnes x grade / 31.10348. All numbers have been rounded to reflect the relative accuracy of the estimate.

Darren Klinck, President & CEO commented, "We are very pleased with the updated resource estimate and the exploration efforts to date. These significant improvements over the 2017 estimate are a result of an improved 3D geological understanding of the deposit owing to all of the structural geological work, mapping, sampling, and infill drilling we have completed. As a result, our confidence level in the resource has grown substantially, reflecting in the provision of resources as Measured. We also see the

increase of approximately 308,000 ounces of gold in the Inferred category as a good opportunity to convert to Indicated ounces with further drilling and to follow up on newly identified exploration opportunities to step-out on known veins along strike and at depth.”

The updated Mineral Resource estimates are a result of 129,231 m of drilling at the project (580 drill holes) by previous operators and Bluestone, including 104 holes (18,033 m) drilled from underground. The estimates are based on a new and robust geological and structural model, supported by over 3 km of underground infrastructure. Bluestone’s recent infill drill program that included 12,654 m of drilling (28 underground and 30 surface holes) and 288 underground channel samples, was successful in increasing the geological confidence of Mineral Resources and the inclusion of Measured Resources.

David Cass, Vice-President Exploration commented, "Our understanding of the geological model at Cerro Blanco has improved over the last six months. In particular, the development of a robust structural model and an appreciation of the un-eroded nature of the deposit owing to an apparent young age of mineralization helps explain the pristine nature of the vein swarms and paucity of post-mineral faulting affecting the veins. Importantly, 1.3 MT of resources are in the Inferred category, as extensions to known veins and new veins discovered by our recent underground sampling and drilling. This presents a good opportunity for conversion to Indicated Resources and discovery of additional new veins by further infill drilling.”

Table 2: Cerro Blanco High-Grade Resource Estimate at various gold cut-off grades

Resource Category	Cut-off	Tonnes	Grade (Au g/t)	Grade (Ag g/t)	Contained Gold (oz.)	Contained Silver (oz)
Measured	2.5	330,897	9.4	36.3	100,136	386,001
	3.0	311,428	9.8	37.7	98,418	377,083
	3.5	290,153	10.3	39.1	96,184	365,106
	4.0	273,088	10.7	40.5	94,127	355,112
	4.5	256,120	11.2	41.9	91,818	344,792
Indicated	2.5	4,059,253	8.9	34.0	1,165,936	4,435,694
	3.0	3,717,657	9.5	36.0	1,135,710	4,299,893
	3.5	3,426,400	10.0	37.8	1,105,284	4,163,517
	4.0	3,153,354	10.6	39.7	1,072,425	4,020,255
	4.5	2,869,052	11.2	41.8	1,033,519	3,855,243
Measured & Indicated	2.5	4,390,150	8.9	34.2	1,266,072	4,821,695
	3.0	4,029,085	9.5	36.1	1,234,128	4,676,976
	3.5	3,716,553	10.1	37.9	1,201,468	4,528,623
	4.0	3,426,442	10.6	39.8	1,166,552	4,375,367
	4.5	3,125,172	11.2	41.8	1,125,337	4,200,035
Inferred	2.5	1,860,278	6.8	20.2	403,450	1,209,679
	3.0	1,584,186	7.5	22.1	379,432	1,123,287
	3.5	1,373,342	8.1	23.6	357,319	1,041,057
	4.0	1,193,186	8.8	25.0	335,831	959,253
	4.5	1,030,148	9.5	26.5	313,466	876,157

The Mineral Resource estimate for Cerro Blanco was prepared to industry standards and best practices using commercial mine modelling and geostatistical software. Garth Kirkham, P.Geo., is the Independent Qualified Person responsible for the Mineral Resource estimates for the purposes of NI 43-101. The geologic models and domains were completed under the supervision of Bluestone’s Vice President of Exploration David Cass, P.Geo., and Geology Manager Carlos Chiquin. The deposit was segregated into multiple estimation domains for the vein domains based on geologic and structural models with the Mineral Resources estimated using ordinary kriging interpolation of capped composites. Search ellipse orientation and anisotropy were based on structural and geological controls and variogram models.

Bluestone and its consultants conducted extensive structural studies and analyses to assess the quality of the pre-Bluestone legacy drill hole data in preparation of the Mineral Resource estimates. Confirmatory drilling by Bluestone has shown the data to be of high quality, increasing confidence and

understanding of the Cerro Blanco deposit. The improved constraints on mineralization provided by the updated geological model at Cerro Blanco have reduced the variance of resource sensitivities.

The Mineral Resource estimates employed state of the art commercial modelling and mine planning systems (LeapFrog and MineSight[®] v11.60-2). The block model has a parent block size of 5 x 5 x 1 m with a sub-block size of 1 x 1 x 0.1 m. The methodology employed was ordinary kriging in a single pass using capped composites which were limited to 110 g/t Au and 600 g/t Ag based on analysis of cumulative frequency plots.

Mineral Resources are classified under the categories of Measured, Indicated, and Inferred according to CIM guidelines. Mineral Resource classification for gold was based primarily on drill hole spacing and on continuity of mineralization. Measured Resources were defined as blocks within a distance lateral to the ramp along veins that of 15 m. Indicated Resources were defined as those within a distance to three drill holes of less than ~35 m. Inferred Resources were defined as those with a drill hole spacing of less than ~75 m and meeting additional requirements. All Resources are constrained by the continuous vein solids. Final Resource classification shells were manually constructed on sections. Mined out ramp material was extracted from the Measured Resources. Silver was not classified separately and is reported based on gold classification. A full description of the modelling methodologies for the deposit will be included in the upcoming Feasibility Study.

Cerro Blanco is a classic hot springs-related, low sulphidation epithermal gold-silver deposit comprising a system of moderate to steeply dipping quartz-adularia-calcite veins. The above Resource has a footprint of 800 x 400 m between elevations of 525 m and 200 m above sea level. The bulk of the high-grade veins occurs as two upward-flared vein arrays (North and South Zones) that converge at depth into master feeder veins that appear to define a positive flower structure, defining mineralization over a vertical distance of approximately 300 m. Most of the veins are hosted in a gently dipping sequence of siltstones, limestones, conglomerates, and andesitic tuffs (Mita Unit) that are overlain by approximately 100 m of silicified conglomerates and sinter beds (Salinas Unit) representing an un-eroded paleosurface that forms the low-lying hill at Cerro Blanco. The Salinas rocks are host to a tabular zone of low grade disseminated gold and silver mineralization.

Bulk Tonnage Resource Estimate

In addition to the High-Grade Resource Estimate, an additional resource estimate, the Bulk Tonnage Resource Estimate, was undertaken to include both the low-grade envelopes surrounding the high-grade veins and the low grade disseminated mineralization hosted in the overlying Salinas rocks. The Bulk Tonnage Resource Estimate represents an estimate of the total inventory of gold and silver resources at the Cerro Blanco Gold project and demonstrates additional value that potentially could enhance the project if a mining scenario from surface was used.

The reader is cautioned that Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability and may be materially affected by environmental, permitting, legal, marketing and other relevant issues.

Table 3. Cerro Blanco Bulk Tonnage Resource Estimate at a 0.5 g/t Au cut-off

Resource Category	Tonnes	Au Grade g/t	Ag Grade g/t	Contained Gold (Oz)	Contained Silver (Oz)
Measured	12,367,710	2.3	11.0	908,666	4,433,584
Indicated	48,219,063	1.3	6.1	2,080,783	9,379,180
Measured & Indicated	60,586,773	1.5	7.1	2,989,449	13,812,764
Inferred	18,531,439	1.0	5.0	581,679	3,002,828

- Effective date: August 6, 2018. All Mineral Resources have been estimated in accordance with CIM definitions, as required under NI 43-101. Mineral Resource Statement prepared by Garth Kirkham (Kirkham Geosystems Ltd.) in accordance with NI 43-101.

- Mineral Resources reported demonstrate reasonable prospect of eventual economic extraction, as required under NI 43-101. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. The Mineral Resources may be materially affected by environmental, permitting, legal, marketing, and other relevant issues.
- The Bulk Tonnage Mineral Resources are reported at a cut-off grade of 0.5 g/t Au. Cut-off grades are based on a price of US\$1,250/oz gold, US\$16/oz silver, and a number of operating cost and recovery assumptions, including a reasonable contingency factor.
- Ounce (troy) = metric tonnes x grade / 31.10348. All numbers have been rounded to reflect the relative accuracy of the estimate.

Table 4. Cerro Blanco Bulk Tonnage Resource Estimate at various gold cut-off grade

Resource Category	Cut-off	Tonnes	Grade (Au g/t)	Grade (Ag g/t)	Contained Gold (oz.)	Contained Silver (oz)
Measured	0.35	14,836,990	2.0	9.8	942,162	4,665,255
	0.5	12,367,710	2.3	11.2	908,666	4,433,584
	0.75	9,843,460	2.7	13.0	858,595	4,120,496
	1	8,060,330	3.1	14.8	808,974	3,832,761
Indicated	0.35	68,384,028	1.1	5.1	2,350,959	11,256,811
	0.5	48,219,063	1.3	6.1	2,080,783	9,379,180
	0.75	30,452,071	1.8	7.4	1,731,167	7,235,224
	1	20,705,683	2.2	8.7	1,460,951	5,791,613
Measured & Indicated	0.35	83,221,018	1.3	5.9	3,293,121	15,922,066
	0.5	60,586,773	1.5	7.1	2,989,449	13,812,764
	0.75	40,295,531	2.0	8.8	2,589,762	11,355,720
	1	28,766,013	2.5	10.4	2,269,925	9,624,374
Inferred	0.35	24,518,492	0.8	4.6	662,004	3,610,356
	0.5	18,531,439	1.0	5.0	581,679	3,002,828
	0.75	8,298,464	1.4	6.1	382,247	1,632,826
	1	4,605,668	1.9	7.6	279,567	1,126,855

This estimate is built upon the reasonable prospect of eventual economic extraction based on continuity, confidence and an optimized pit, using estimates of operating costs and price assumptions. The “reasonable prospects for eventual economic extraction” were tested using floating cone pit shells based on reasonable economic assumptions which include the following: \$1,250/oz. Au, and \$16.00/oz. Ag, Au recovery of 95% and Ag recovery of 88%, \$2.00/t mining costs, \$1.50/t G&A costs, \$13.00/t milling costs, and a pit slope of 45°. The pit optimization results are used solely for the purpose of testing the “reasonable prospects for eventual economic extraction” and do not represent an attempt to estimate Mineral Reserves.

The Bulk Tonnage Mineral Resource Estimate is based on constraining domains that are anchored using geology along with broad gradational envelopes. The deposit was segregated into multiple estimation domains for the Salinas Unit, low grade envelope, and the individual veins which were based on the updated geologic and structural models. The Bulk Tonnage Mineral Resources were estimated using ordinary kriging interpolation of capped composites. Search ellipse orientation and anisotropy were based on structural and geological controls and variogram models.

The block model has a block size of 10 x 10 x 10 m. The methodology employed was ordinary kriging in a single pass using capped composites which were capped at 110 g/t Au and 600 g/t Ag based on analysis of cumulative frequency plots.

Mineral Resources are classified under the categories of Measured, Indicated and Inferred according to CIM guidelines. Mineral Resource classification for gold was based primarily on drill hole spacing and on continuity of mineralization. Measured Resources were defined as blocks within a distance to nearest composite of 12.5 m. Indicated Resources were defined as those within a distance to three drill holes of less than ~35 m. Inferred Resources were defined as those with an average drill hole spacing of less than ~100 m and meeting additional requirements. All Resources are constrained by the continuous vein solids primarily, low grade envelope secondarily, and Salinas group tertiary. Blocks outside the

mentioned were estimated in a last pass to determine waste grade and volumes. Final Resource classification shells were manually constructed on plan sections.

Quality Analysis and Quality Control

Assay results included by reference within this release were performed by Inspectorate Laboratories ("Inspectorate"), a division of Bureau Veritas, which are ISO 17025 accredited laboratories. Logging and sampling are undertaken on site at Cerro Blanco by Company personnel under a QA/QC protocol developed by Bluestone. Samples are transported in security-sealed bags to Inspectorate, Guatemala City, Guatemala, for sample preparation. Sample pulps are shipped to Inspectorate Laboratories in Vancouver, BC, Canada or Reno, NV, USA, and assayed using industry-standard assay techniques for gold and silver. Gold and silver were analyzed by a 30-gram charge with atomic absorption and/or gravimetric finish for values exceeding 5 g/t Au and 100 g/t Ag. Analytical accuracy and precision are monitored by the analysis of reagent blanks, reference material, and replicate samples. Quality control is further assured by Bluestone's QA/QC program, which involves the insertion of blind certified reference materials (standards) and field duplicates into the sample stream to independently assess analytical precision and accuracy of each batch of samples as they are received from the laboratory. A selection of samples is submitted to ALS Chemex Laboratories in Vancouver for check analysis and additional quality control.

Qualified Persons

The Mineral Resource Estimates in this release were prepared in accordance with NI 43-101 by Garth Kirkham, P.Geo., a Qualified Person for NI 43-101. Mr. Kirkham is an employee of Kirkham Geosystems Ltd., and is an independent Qualified Person as defined by National Instrument 43-101.

The scientific information in this release was reviewed and approved by David Cass, P.Geo., Vice President Exploration for Bluestone.

The Qualified Persons have read and approved the information contained in this press release.

About Bluestone Resources

Bluestone Resources is a mineral exploration and development company that is focused on advancing its 100%-owned Cerro Blanco Gold and Mita Geothermal projects located in Guatemala. The Cerro Blanco Gold project economics, as disclosed in the Company's Cerro Blanco Preliminary Economic Assessment ("PEA") which is available at www.sedar.com, and updated Mineral Resource estimate for Cerro Blanco, indicate a robust project with an expected nine-year mine life producing 952,000 ounces of gold and 3,141,000 ounces of silver. Initial capital expenditures in the PEA to fund construction and commissioning is estimated at US\$170.8 million with all-in sustaining cash costs (as defined per World Gold Council guidelines, less corporate general and administration costs) estimated to be US\$490 per ounce of gold produced. The Company trades under the symbol "BSR" on the TSX Venture Exchange and "BBSRF" on the OTCQB.

On Behalf of Bluestone Resources Inc.

"Darren Klinck"

Darren Klinck | President, Chief Executive Officer & Director

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Cautionary Language

The PEA is preliminary in nature, it includes Inferred Mineral Resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as Mineral Reserves, and there is no certainty that the PEA will be realized. Mineral Resources that are not Mineral Reserves do not have demonstrated economic viability.

Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Forward Looking Statements

This press release 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 Bluestone Resources Inc. (“**Bluestone**” or the “**Company**”) believes, expects or anticipates will or may occur in the future including, without limitation: the proposed timeline and benefits of the Feasibility Study; statements about the Company’s plans for its mineral properties; Bluestone’s business strategy, plans and outlook; the future financial or operating performance of Bluestone; capital expenditures, corporate general and administration expenses and exploration and development expenses; expected working capital requirements; the future financial estimates of the Cerro Blanco Project economics, including estimates of capital costs of constructing mine facilities and bringing a mine into production and of sustaining capital costs, estimates of operating costs and total costs, net present value and economic returns; proposed production timelines and rates; funding availability; resource estimates; and future exploration and operating plans are forward-looking statements. 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 the Company’s current beliefs as well as various assumptions made by them and information currently available to them. Generally, these assumptions include, among others: the ability of Bluestone to carry on exploration and development activities; the price of gold, silver and other metals; there being no material variations in the current tax and regulatory environment; the exchange rates among the Canadian dollar, Guatemalan quetzal and the United States dollar remaining consistent with current levels; 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; 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 operation; the availability of acceptable financing; anticipated mining losses and dilution; success in realizing proposed operations; anticipated timelines for community consultations and the impact of those consultations on the regulatory approval process.

Forward-looking statements are subject to a number of risks and uncertainties that may cause the actual results of the Company to differ materially from those discussed in the forward-looking statements and, even if such actual results are realized or substantially realized, there can be no assurance that they will have the expected consequences to, or effects on, Bluestone. Factors that could cause actual results or events to differ materially from current expectations include, among other things: risks and uncertainties related to expected production rates, timing and amount of production and total costs of production; risks and uncertainties related to ability to obtain 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; risks associated with geopolitical uncertainty and political and economic instability in Guatemala; risks and uncertainties related to interruptions in production; the possibility that future exploration, development or mining results will not be consistent with the Company’s expectations; uncertain political and economic environments and relationships with local communities; risks relating to variations in the mineral content within the mineral identified as mineral resources from that predicted; variations in rates of recovery and extraction; developments in world metals markets; risks related to fluctuations in currency exchange rates; as well as those factors discussed under “Risk Factors” in the Company’s Amended and Restated Annual Information Form.

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.