

## Bluestone Announces Updated Resource Estimate at Cerro Blanco

### Increases Measured & Indicated Resources by 18% to 1.41 Moz at 10.3 g/t Au

November 6, 2019 – VANCOUVER, BRITISH COLUMBIA – Bluestone Resources Inc. (TSXV:BSR | OTCQB:BBSRF) ("Bluestone" or the "Company" - [https://www.youtube.com/watch?v=FjsHNthG\\_vs](https://www.youtube.com/watch?v=FjsHNthG_vs)) is pleased to announce a new high-grade mineral resource estimate for the Cerro Blanco Gold project in Guatemala. Over the last nine months Bluestone has completed an infill drill program focused on converting Inferred Resources identified in the Feasibility Study into Measured and Indicated categories. The Cerro Blanco Feasibility Study (see press release [January 29th, 2019](#)) highlighted some 357,000 ounces of Inferred Resources (1.4 Mt grading 8.1 g/t Au) that could be potentially converted to Measured and Indicated Resources. The Feasibility Study was based on an initial eight-year mine life, demonstrating robust economics with an average LOM AISC of US\$579/oz.

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

- Measured category resources increased by 134%, totalling 607,714 tonnes grading 11.5 g/t Au, containing 225,118 ounces of gold
- Measured and Indicated Resources increased by 18% to 1.41 Moz averaging 10.3 g/t Au
- Majority of the 66 infill holes were drilled in the North Zone of the deposit, a similar program of infill drilling in the South Zone is now underway

Darren Klinck, President & CEO commented, "Cerro Blanco remains one of the highest-grade undeveloped gold projects amongst its peers. Our infill drill program which was primarily focused on converting Inferred Resources was highly successful and exceeded expectations. Overall the program added approximately 208,000 additional ounces of gold into Measured and Indicated Resource categories that will contribute to the reserve base, and potentially extend mine life. Two key outcomes of the resource conversion drill program were: the identification of five new veins in the North Zone, and an increase in Measured Resources to 225,000 gold ounces. We believe this recent infill drill program which was focussed in the North zone and the drilling currently underway in the South Zone have the potential to contribute additional mine life based on previous mine plan conversion rates. Every additional year of mine life has the potential to add approximately US\$60 to US\$80 million in free cash flow using a gold price of US\$1,250 per oz Au."

**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	607,714	11.5	44.2	225,118	864,281
Indicated	3,661,507	10.1	35.6	1,188,194	4,193,343
<b>Measured &amp; Indicated</b>	<b>4,269,221</b>	<b>10.3</b>	<b>36.8</b>	<b>1,413,312</b>	<b>5,057,624</b>
Inferred	466,218	7.1	16.6	107,215	248,488

- Effective date: November 1, 2019. 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.
- Measured Resources include 29,726t of stockpiled material grading 5.35 g/t Au and 22.6 g/t Ag.

- 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.
- Density used was 2.53 t/m<sup>3</sup> for mineralized material.
- Ounce (troy) = metric tonnes x grade / 31.10348. All numbers have been rounded to reflect the relative accuracy of the estimate. Inferred Mineral Resources are considered too speculative geologically to have economic considerations applied to them that would enable them to be categorized as Mineral Reserves. However, it is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Resources.

David Cass, Vice President Exploration commented, "The successful completion of this infill drilling program has further enhanced our geological understanding of the Cerro Blanco mineralization and our confidence in the resource continues to improve. Throughout the drilling we have continued to be impressed by the continuity and predictability of the veins, most of which require further detailed drilling to define their lateral and depth extensions. Furthermore, our confidence in the model is further enhanced by trial stoping along veins in the Cerro Blanco underground workings which continues to improve orebody knowledge (see press release dated [September 4, 2019](#))."

The updated Mineral Resource estimate is the result of an additional 8,567 meters of drilling (66 drill holes) drilled as part of Bluestone's infill drill program that commenced in November 2018 and was focused in the North Zone underground workings. The estimate is based on an increasingly better understanding of the geological model, supported by over 3 kilometers of underground infrastructure and 526 underground channel samples. To date, over 138,000 meters in 646 holes have been drilled at the property by Bluestone and previous workers.

**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)
<b>Measured</b>	2.5	654,166	10.8	41.7	227,266	876,176
	3	611,140	11.4	43.7	223,467	858,015
	<b>3.5</b>	<b>577,988</b>	<b>11.8</b>	<b>45.3</b>	<b>220,004</b>	<b>842,691</b>
	4	545,381	12.3	47.1	216,073	825,733
	4.5	508,370	12.9	49.2	211,012	803,851
<b>Indicated</b>	2.5	4,503,842	8.8	31.4	1,268,927	4,552,459
	3	4,061,302	9.4	33.5	1,229,917	4,370,821
	<b>3.5</b>	<b>3,661,507</b>	<b>10.1</b>	<b>35.6</b>	<b>1,188,194</b>	<b>4,193,343</b>
	4	3,293,700	10.8	37.9	1,143,887	4,008,172
	4.5	2,935,960	11.6	40.2	1,094,990	3,795,334
<b>Measured &amp; Indicated</b>	2.5	5,158,008	9.0	32.7	1,496,193	5,428,635
	3	4,672,442	9.7	34.8	1,453,384	5,228,836
	<b>3.5</b>	<b>4,239,495</b>	<b>10.3</b>	<b>36.9</b>	<b>1,408,199</b>	<b>5,036,034</b>
	4	3,839,082	11.0	39.2	1,359,959	4,833,905
	4.5	3,444,330	11.8	41.5	1,306,002	4,599,186
<b>Inferred</b>	2.5	613,434	6.1	15.4	121,161	303,819
	3	526,930	6.7	15.9	113,542	269,554
	<b>3.5</b>	<b>466,218</b>	<b>7.2</b>	<b>16.6</b>	<b>107,215</b>	<b>248,488</b>
	4	404,649	7.7	17.1	99,786	222,956
	4.5	349,422	8.2	17.5	92,259	196,705

- Base Case cut-off grade in Bold.
- Measured Resources exclude Stockpile - 29,726t grading 5.35 g/t Au and 22.6 g/t Ag.

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 meters between elevations of 525 meters and 200 meters 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 meters. 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 meters of silicified conglomerates and sinter beds (Salinas Unit) representing a silica cap that forms the low-lying hill at Cerro Blanco.

### **Mineral Resource Estimation**

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.Geol., 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.Geol., 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 by inverse distance interpolation of capped composites.

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 this 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 R v15.50). The block model has a parent block size of 5 x 5 x 1 meters with a sub-block size of 1 x 1 x 0.1 meters. Assays were composited to 1.5 meters to insure regularized, common sample support. The methodology employed was inverse distance in a single pass using capped gold and silver composites which were limited to selected thresholds based on analysis of cumulative frequency plots and commonalities of veins. Cut grade thresholds ranged from 18 g/t to 110 g/t Au and 100 g/t Ag to 300 g/t Ag. Hard boundaries were used for each vein with a minimum of 2 composites per block and a maximum of 9 per block, 3 maximum composites per drill hole or channel sample.

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 and along veins within 15 meters. Indicated Resources were defined as those within a distance to three drill holes of less than 40 meters. Inferred Resources were defined as those with a drill hole spacing of less than ~75 meters 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.

### **Qualified Persons**

The Mineral Resource Estimate in this release has an effective date of November 1, 2019 and was prepared in accordance with NI 43-101 by Garth Kirkham, P.Geol., 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 by David Cass, P.Geol., Vice President Exploration for Bluestone. Both 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 high-grade Cerro Blanco Gold project located in Guatemala. A Feasibility Study on Cerro Blanco returned robust economics with a quick pay back. The average annual production is projected to be 146,000 ounces per year over the first three years of production with all-in sustaining costs of \$579/oz (as defined per World Gold Council guidelines, less corporate general and administration costs). 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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## **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: to the market for Bluestone's common shares, preferred shares, deb securities, subscription receipts, units, warrants and share purchase contracts; the conversion of the inferred mineral resources; increasing the amount of measured mineral and indicated mineral resources; the proposed timeline and benefits of further drilling; 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 relating to variations in the mineral content within the mineral identified as mineral resources from that predicted; 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; 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 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.

#### **Non-IFRS Financial Performance Measures**

The Company has included certain non-International Financial Reporting Standards ("IFRS") measures in this news release. The Company believes that these measures, in addition to measures prepared in accordance with IFRS, 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-IFRS 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 IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to similar measures presented by other issuers.

#### **All-in sustaining costs**

The Company believes that all-in sustaining costs ("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 and costs 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.