

Bluestone Announces Consistent High-Grade Channel Sampling Results in Development Drift averaging 22.4 g/t Au and 122 g/t Ag over 22 meters along vein

September 4, 2019 – VANCOUVER, BRITISH COLUMBIA – Bluestone Resources Inc. (TSXV:BSR | OTCQB:BBSRF) ("Bluestone" or the "Company") is pleased to announce results from channel sampling of high-grade veins within two separate development headings in both the North and South zones of the Cerro Blanco underground workings.

Early underground development and mining activities using Bluestone’s mine equipment and personnel are being undertaken as part of an operational readiness and project de-risking initiative ahead of development. Assay results from the successive channel sampling of two different development drifts, on two individual veins, one located in the North Zone (VN_10) and the other in the South Zone (VS_10), are presented in this press release. Sampling of the veins was done at the face after each successive blast as the drift advanced. The objective of this ongoing work is to improve orebody knowledge by providing valuable information on grade continuity, vein orientation, and the applicability of mining methods.

Darren Klinck, President and CEO commented, “Sampling during the advancement of the drift along the strike of the vein has returned consistent grade and widths with good continuity. We are pleased to see vein VS_10 in the South average 22 g/t Au over the 22 meters of development completed. We continue to improve our orebody knowledge as we prepare for underground mining and construction-related activities next year.”

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.

Table 1. Underground Channel Sample Assays – Drift S314 (South Zone)

SAMPLE ID	HEADING	WIDTH (m)	Au g/t	Ag g/t	VEIN ID
RCB-3527	L4_S314_W	1.2	23.8	192	VS_10
RCB-3528	L4_S314_W	1.1	23.9	116	VS_10
RCB-3529	L4_S314_W	0.9	20.3	77.2	VS_10
RCB-3531	L4_S314_W	1.0	26.3	72.6	VS_10
RCB-3160	L4_S314_E	0.7	18.4	85.0	VS_10
RCB-3161	L4_S314_E	0.6	38.3	200.0	VS_10
RCB-3166	L4_S314_E	0.7	21.5	236.0	VS_10
RCB-3168	L4_S314_E	0.6	22.3	97.0	VS_10
RCB-3188	L4_S314_W	1.00	37.6	157	VS_10
RCB-3192	L4_S314_E	1.0	23.2	96.7	VS_10
RCB-3193	L4_S314_E	1.0	33.1	142.0	VS_10
RCB-3523	L4_S314_E	1.2	17.2	92.5	VS_10
RCB-3524	L4_S314_E	1.0	10.5	60.3	VS_10
RCB-3525	L4_S314_E	1.0	22.6	158	VS_10
RCB-3526	L4_S314_E	1.0	21.6	70.4	VS_10

SAMPLE ID	HEADING	WIDTH (m)	Au g/t	Ag g/t	VEIN ID
RCB-3530	L4_S314_E	1.0	22.3	175	VS_10
RCB-3443	L4_S314_E	1.2	21.4	94.2	VS_10
RCB-3658	L4_S314_E	1.0	20.2	162	VS_10
RCB-3659	L4_S314_E	1.0	18.8	147	VS_10
RCB-3660	L4_S314_E	1.0	12.7	65.6	VS_10
RCB-3664	L4_S314_E	1.0	14.0	51.9	VS_10
RCB-3666	L4_S314_E	1.0	12.9	80.9	VS_10
RCB-3675	L4_S314_E	1.0	26.2	132	VS_10
RCB-3711	L4_S314_E	1.0	25.4	69.7	VS_10
RCB-3712	L4_S314_E	1.0	48.5	214	VS_10
RCB-3713	L4_S314_E	1.0	14.8	73.1	VS_10
RCB-3714	L4_S314_E	1.0	17.0	83.9	VS_10
RCB-3715	L4_S314_E	1.0	14.6	71.4	VS_10
RCB-3716	L4_S314_E	1.0	19.3	93	VS_10
RCB-3718	L4_S314_E	1.0	25.3	127	VS_10
RCB-3719	L4_S314_E	1.0	26.3	74.2	VS_10

Table 2. Underground Channel Sample Assays –Drift N636 (North Zone)

SAMPLE ID	HEADING	Width_(m)	Au g/t	Ag g/t	VEIN ID
RCB-3339	L6 N636 NE	1.0	16.4	84.7	VN_10
RCB-3554	L6 N636 NE	1.0	36.1	70.5	VN_10
RCB-3555	L6 N636 NE	1.0	23.2	62.2	VN_10
RCB-3556	L6 N636 NE	1.0	60.5	68.9	VN_10
RCB-3557	L6 N636 NE	1.0	18.3	51.3	VN_10
RCB-3698	L6 N636 NE	1.0	21.6	81.3	VN_10
RCB-3699	L6 N636 NE	1.0	82.5	150	VN_10
RCB-3700	L6 N636 NE	1.0	25.3	49	VN_10
RCB-3701	L6 N636 NE	1.0	22.2	30.9	VN_10
RCB-3702	L6 N636 NE	1.0	25.6	70.9	VN_10
RCB-3727	L6 N636 NE	1.0	11.2	31.1	VN_10

Plan, sections and photos can be accessed by clicking [HERE](#).

Sampling Methodology

For each heading, several channel samples were taken perpendicular across the vein, and where possible, along the roof of the drift at spacings of approximately 1.0 meter using a portable core saw. Sampled faces are approximately 3 - 4 meters apart (depending on the advance of each blast) and vein widths varied between 0.65 - 0.85 meters (VN_10) and 0.45 - 0.75 meters (VS_10). In each case, sample widths of 1.0 meter were taken to include some hanging wall and footwall dilution around the veins and represent a minimum mining width. Veins comprise white chalcedonic quartz and minor adularia with dark grey banding due to the inclusion of silver sulphides and gold.

Development Drift S314 (South Zone)

Vein VS_10 is a new vein that was discovered by Bluestone early in its exploration program. While only contributing approximately 35,000 oz to the current reserve model, it was selected for trial mining as an example of a narrow, moderately dipping vein in the upper part of the South Zone orebody (see photos and plans). VS_10 averages 50 degrees and is hosted within gently dipping fine-grained sandstones (Mbt). The average grade of 31 vein samples taken from the faces over the 21.6-meter length of the drift was

22.4 g/t and 114 g/t Ag. Grades show remarkable consistency as seen in Table 1, with a minimum assay of 10.5 g/t Au and maximum assay of 48.5 g/t Au.

Of note in the drift are several narrow (approximately 20 cm) sub-horizontal conjugate veins in the footwall that eventually merge to VS_10 that also contain high grade gold values (see photo). Four 1.0-meter samples incorporating both vein and wall rock dilution assayed from 7.3 g/t to 73.8 g/t Au. A full table of all assay results (Table 3) is included in the attached figures.

Development Drift N636 (North Zone)

Vein VN_10 is one of the main targeted veins in the current infill drill program and is exposed in a new development drift in the lowest section of the North Ramp. The vein averages 0.65 - 0.8 meters in width and dips at 70 degrees. The average grade of 12 samples taken in 5 successive headings over the 14.9-meter length of the drift was 31.2 g/t and 68 g/t Ag, including wall rock dilution. Assays ranged from 11.2 g/t Au and 82.5 g/t Au showing consistency of high grades, similar to VS_10. Recent infill drilling (hole CB 409) intersected and extended this vein some 62 meters down dip (see press release [January 9, 2019](#)).

Precious metal mineralization at Cerro Blanco is associated with classic low sulphidation adularia-sericite epithermal quartz veins and vein swarms hosted in altered sequence of volcanoclastic and sedimentary rocks. Higher grades (>20 g/t Au and >60 g/t Ag) are associated with visible gold and silver sulphides in ginguero-style colloform-banded veins.

Quality Analysis and Quality Control

Assay results listed within this release were performed by Inspectorate Laboratories (“Inspectorate”), a division of Bureau Veritas, which are ISO 17025 accredited laboratories. Sampling was undertaken on site at Cerro Blanco by Company personnel under a QA/QC protocol developed by Bluestone under the supervision of David Cass, Qualified Person for 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 analysed 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. Additionally, pulps and coarse rejects are routinely submitted to ALS Chemex Laboratories in Vancouver for check analysis and additional quality control.

Qualified Person

David Cass, P.Geo., Vice President Exploration, is the designated Qualified Person for this news release within the meaning of National Instrument 43-101 and has reviewed and verified that the technical information set out above in this news release is accurate and therefore approves this written disclosure of the technical information.

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: 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 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.

Non-IFRS Financial Performance Measures

The Company has included certain non-International Financial Reporting Standards (“**IFRS**”) measures in this new 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.

Total cash costs

Total cash costs is a common financial performance measure in the gold mining industry but has no standard meaning. The Company reports total cash costs on a gold ounce sold basis. The Company believes that, in addition to measures prepared in accordance with IFRS, such as revenue, certain investors can use this information to evaluate the Company’s performance and ability to generate operating earnings and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating cost performance.

Total cash costs include (cost of sales such as mining, processing, maintenance and site administration, royalties, selling costs and by-product credits) to arrive at total cash costs per ounce of gold sold. Other companies may calculate this measure differently.

AISC and total cash costs reconciliation

AISC and total cash 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.