

Bluestone Resources to Acquire Cerro Blanco Gold Project from Goldcorp Inc.

January 11, 2017 Vancouver, B.C. – Bluestone Resources Inc. (BSR: TSX-V) (“Bluestone” or the “Company”) is pleased to announce that it has entered into an agreement dated January 4, 2017 (the “Agreement”) with Goldcorp Inc. (“Goldcorp”) to acquire 100% of Goldcorp’s Cerro Blanco Gold project (“Cerro Blanco”) and Mita Geothermal project (“Mita Geothermal”) in Guatemala (the “Proposed Acquisition”).

“Cerro Blanco represents a unique and transformational acquisition for Bluestone,” stated John Robins, CEO and Chairman of Bluestone. “The Cerro Blanco Gold Project is fully permitted for production, designed and developed to world class standards and hosts very high gold grades with strong potential to expand existing resources. We are excited to have Goldcorp as a partner and shareholder in the development of Guatemala’s next low cost, underground gold mine.”

Acquisition Highlights

- **High-Grade Gold.** Cerro Blanco is one of the highest grade pre-production, fully permitted gold projects in the world: Goldcorp’s most recent public resource statements outline historical resources of 2.05 Mt grading 12.69 g/t for 840,000 ounces of gold in the Indicated category, as well as 0.75 Mt grading 9.34 g/t for 230,000 ounces of gold in the Inferred category.*
- **Feasibility Level Study.** Goldcorp completed an internal feasibility level study on the project in 2013. Bluestone does not consider this feasibility level study to be current and has therefore engaged JDS Energy & Mining Inc. to complete an NI 43-101 Preliminary Economic Assessment on Cerro Blanco prior to the closing.*
- **Significant Infrastructure In Place.** Since 2006, over US\$170 million has been spent advancing the project, including two underground declines from surface; 3 km of underground development; two alimak vent raises; significant dewatering infrastructure and an operating water treatment facility.
- **Fully Permitted.** Cerro Blanco is fully permitted for remaining construction and mining operations.
- **Location.** Cerro Blanco is located less than 10 km from the Pan American Highway, near the town of Mita, within the state of Jutiapa, Guatemala.
- **Community and Social Responsibility (CSR).** Bluestone is committed to maintaining the high levels of community, social, and environmental standards at Cerro Blanco and working with local and regional stakeholders to protect these values.
- **Significant tax pools in excess of US\$120 million.**
- **VAT receivable of US\$15 million should commercial production be achieved.**
- **Geothermal Potential.** Approximately US\$60 million has been invested exploring and advancing the Mita Geothermal project near Cerro Blanco, including the drilling of four production wells. Third party studies contemplate production capacity from these wells alone of approximately 7MW. While more test work is required on the geothermal resource, these studies suggest there may be sufficient pressure and entropy at exploitable levels to support the fully licenced capacity of 50 MW. Bluestone is evaluating various options to monetize the geothermal assets.

** Note: The indicated and inferred resources, including those used in the Goldcorp internal feasibility level study, are historical estimates and use the categories set out in NI 43-101. These resources are effective as at June 30, 2016 and are disclosed in Goldcorp's press release dated October 26, 2016. Resources were estimated using US\$1,400 per ounce gold and US\$20 per ounce silver. Given the source of the estimates, Bluestone considers them reliable and relevant for the further development of the project; however, a qualified person has not done sufficient work to classify the historical estimates as current mineral resources or mineral reserves, and the Company is not treating the historical estimates as current mineral resources or mineral reserves. Bluestone has initiated an independent review of the data and the resources by Garth Kirkham P.Ge. A current NI 43-101 resource estimate is being calculated, which is anticipated to be released prior to the closing of the Proposed Transaction.*

Summary of the Proposed Transaction

Under the Agreement with Goldcorp, the Company will acquire:

- (i) a 100% interest in Minerales Entre Mares de Guatemala, S.A., Goldcorp's indirect wholly-owned Guatemalan subsidiary which holds a 100% interest in Cerro Blanco;
- (ii) a 100% interest in Geotermia Oriental de Guatemala, S.A., Goldcorp's indirect wholly-owned Guatemalan subsidiary which holds a 100% interest in Mita Geothermal;
- (iii) a right of first refusal (the "Marlin Equipment ROFR") on the assets, including the mining fleet, processing plant, and other equipment related to Goldcorp's Marlin mine in Guatemala once mining and processing activities cease; and
- (iv) a commitment by Goldcorp to fund 9.9% of all future equity financings undertaken by the Company in connection with the development and construction of Cerro Blanco for a period of three years from the closing date of the Proposed Transaction (the "Closing Date").

The purchase price for the assets consists of:

- (i) US\$18 million cash, plus an additional US\$2 million cash as a non-refundable deposit to be applied to the purchase price of Marlin equipment purchased under the Marlin Equipment ROFR (collectively, with the US\$18 million cash payment, the "Total Upfront Cash Consideration"), to be paid on the Closing Date;
- (ii) a 1% net smelter returns royalty (the "Royalty") on the sale of gold and silver produced from Cerro Blanco. If Goldcorp elects to sell the Royalty, in whole or in part, the Company would retain a right of first offer on the sale;
- (iii) US\$15 million to be paid in cash to Goldcorp within six months of commencement of commercial production at Cerro Blanco; and
- (iv) 9.9% of the fully diluted issued and outstanding securities of the Company (the "Consideration Securities") after completion of the Financing (as defined below).

In connection with the issuance of the Consideration Securities by the Company to Goldcorp, Goldcorp will: (i) agree to vote the Consideration Shares in accordance with management recommendations for a period of three years from the Closing Date, except in certain circumstances, (ii) enter into a lock-up agreement pursuant to which it will agree to not sell any of the Consideration Securities for a period of three years from the Closing Date, except in certain circumstances, and (iii) participate as to 9.9% in all future equity financings undertaken by the Company in connection with exploration and development at Cerro Blanco for a period of three years from the Closing Date. So long as Goldcorp maintains at least 5.0% equity interest in the Company, it will have the right to appoint one nominee to the Company's board of directors.

The Company and Goldcorp intend to execute a formal definitive agreement within 45 days of the signing of the Agreement. Further details of the transaction will be provided upon the signing of the definitive agreement.

It is anticipated that the Company will undertake an equity financing of not less than US\$30 million (the “Financing”) to raise the Total Upfront Cash Consideration and working capital. The terms of the Financing will be determined in the context of the market and will be announced at a later date.

The Company intends to strengthen its board and management prior to the Closing. Additional details will be provided in a later release.

Completion of the Proposed Transaction is subject to a number of standard conditions precedent, including, without limitation, the completion of the Financing and receipt of all regulatory approvals, including the acceptance of the TSX Venture Exchange (the “Exchange”).

The Proposed Transaction is an arm’s length transaction and will be treated as a “Fundamental Acquisition” pursuant to the policies of the Exchange. The Company does not intend to seek shareholder approval for the Proposed Transaction.

Trading in Bluestone’s common shares will remain halted until satisfactory documentation is filed with the Exchange.

Advisors

The Company has engaged Cormark Securities Inc. as its financial advisor in connection with the Proposed Transaction and Financing.

The Company has engaged JDS Energy & Mining Inc. as its lead technical consultant and Axiom Law Corporation as its legal advisor.

Qualified Person

Mr. Garth Kirkham, P. Geo., a qualified person as defined by National Instrument 43-101 – *Standards of Disclosure for Mineral Projects* and independent of the Company has reviewed and approved the scientific and technical disclosure in this press release.

About Bluestone Resources Inc.:

Bluestone Resources Inc. is a Canadian exploration company focused on the discovery and development of economic mineral deposits. Founded in 2004, the Company has assembled a team with the business acumen and technical expertise to identify and advance undervalued mineral exploration projects world-wide.

On behalf of the Board

Bluestone Resources Inc.

“John Robins”

President and Chief Executive Officer

For further information, contact:

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Forward Looking Statements

Certain information set forth in this news release contains “forward-looking statement”, and “forward- looking information” under applicable securities laws. Except for statements of historical fact, certain information contained herein constitutes forward-looking statements, which include the Company’s expectations about the completion of the Proposed Transaction and the Financing, future performance based on current results and expected cash costs and are based on the Company’s current internal expectations, estimates, projections, assumptions and beliefs, which may prove to be incorrect. Some of the forward-looking statements may be identified by words such as “will”, “expects”, “anticipates”, “believes”, “projects”, “plans”, and similar expressions. These statements are not guarantees of future performance and undue reliance should not be placed on them. Such forward-looking statements necessarily involve known and unknown risks and uncertainties, which, may cause the Company’s actual performance and financial results in future periods to differ materially from any projects of future performance or results expressed or implied by such forward-looking statement. These risks and uncertainties include, but are not limited to: liabilities inherent in mine development and production; geological risks, the financial markets generally, the results of the due diligence investigations to be conducted by the Company, the ability of the Company to complete the Financing or obtain requisite Exchange acceptance and shareholder approvals. There can be no assurance that forward-looking statement will prove to be accurate, and actual results and future events could differ materially from those anticipate in such statements. The Company undertakes no obligation to update forward-looking statements if circumstances or management’s estimates or opinions should change except as required by applicable securities laws. The reader is cautioned not to place undue reliance on forward-looking statements.