

Bluestone Announces Extension of Credit Facility and Changes to the Board of Directors

December 21, 2023 – VANCOUVER, BRITISH COLUMBIA – Bluestone Resources Inc. (TSXV:BSR | OTCQB:BBSRF) ("Bluestone" or the "Company") is pleased to announce that it has extended the term of the previously announced US\$30,000,000 loan (the "**Loan**") with Zebra Holdings and Investments S.à.r.l, and Lorito Holdings S.à.r.l (the "**Lender**") to a maturity date of March 11, 2025 and announces changes to the Company's board of directors (the "**Board**") effective December 31, 2023.

Debt Facility

The Loan will provide for the drawdown of funds by the Company in tranches of not less than US\$1,000,000. Proceeds will be primarily used for general corporate purposes and to advance the Cerro Blanco gold project through permit amendment approval.

Peter Hemstead, President and CEO, commented, "We are pleased to have the ongoing support from the Lundin Family. The loan extension equips Bluestone with access to funds to continue to progress the permit amendment and to continue to explore and evaluate a variety of potential strategic alternatives to further advance the Cerro Blanco gold project. Currently US\$12 million of the US\$30 million facility is drawn."

In consideration for the Loan, the Company will issue 4,000 common shares per month (pro-rated for partial months) for each US\$1,000,000 of the principal amount outstanding under the Loan from time to time up to March 11, 2025 (the "**Maturity Date**"), the number of such common shares to be calculated as of the last day of each month up to the Maturity Date (the "**Additional Shares**"). The issuance of the Additional Shares to the Lender is subject to the final approval of the TSX Venture Exchange. All Additional Shares issued to the Lender will be subject to a four-month hold period under applicable securities law.

As the Lender and its affiliates have beneficial ownership of, or control or direction over, directly or indirectly, more than 10% of the common shares of the Company, the issuance of the Additional Shares will be a "related party transaction" under Multilateral Instrument 61-101 – Protection of Minority Security holders in Special Transactions ("**MI 61-101**"). The issuance of the Additional Shares will be exempt from the formal valuation requirements of MI 61-101 pursuant to section 5.5(b), as the Company's shares are not listed on a specified market, and from the minority approval requirements of MI 61-101 pursuant to sections 5.7(1)(a), as neither the fair market value of the Additional Shares to be issued nor the consideration to be received for those shares exceeds 25% of the Company's market capitalization, and 5.7(1)(f) as the Loan does not have an equity or voting component and is on reasonable commercial terms that are not less advantageous to the Company than if the Loan were obtained from an arm's length party.

Board of Directors

William Lamb, Jack Lundin, and Zara Boldt have resigned from the Company's board of directors effective as of December 31, 2023. Jill Donaldson and Joyce Ngo have been appointed to the Board and Peter Hemstead, current President, CEO, and director has been appointed Chair effective December 31, 2023. Additionally, Adam Lundin will act as a Strategic Advisor to the Company.

Peter Hemstead, President, CEO, and incoming Chair of the Board, remarked, "Both William and Jack have recently assumed chief executive officer roles at other Lundin Group companies. With this in mind, we have taken the opportunity to renew the Board. I would like to extend a warm welcome to Jill Donaldson and Joyce Ngo as new members, both of whom will bring exceptional experience to Bluestone. Additionally, Adam Lundin will provide advisory support to the Company, and I look forward to the ongoing guidance and support from the Lundin family. We extend our thanks to all

resigning directors for their substantial contributions throughout the years and wish them success in their future endeavours."

Jill Donaldson will be the Lead Independent Director of the Board.

Jill is a director of Fireweed Metals Corp. and Chair of the Corporate Governance Committee and Chair of the Health, Safety, and Sustainability Committee. Jill is also a director of Prospera Credit Union and Chair of the Business Transformation Committee. As an independent director, Jill brings significant governance and transactional experience as well as risk management experience, a strategic mindset and financial acumen. Jill is also a Principal at IWJ Law, Business + Investment Counsel. As a senior corporate and securities lawyer for over 20 years, Jill has extensive experience working with boards in mergers and acquisitions, capital markets, strategic planning and implementation, governance and stakeholder relations, and compliance and risk management. Jill obtained her J.D. and a Bachelor of Commerce from the University of British Columbia Law. In 2019, Jill obtained her Institute of Corporate Directors Director Designation and in 2023 obtained the ESG designation for directors from Competent Boards. Jill is also active in the community as a director of Canuck Place Children's Hospice and an external member of the Facilities Committee of the Board of York House School.

Joyce Ngo will chair the Audit Committee.

Joyce is a Chartered Professional Accountant who has twenty years of professional experience in both public practice and in public companies. Most recently, she served as CFO of Josemaria Resources Inc. from 2016 to 2019. Before that, Joyce held senior executive accounting positions with NGEx Resources Inc. and was instrumental in the spinouts of both Filo Mining and Josemaria Resources Inc. from NGEx Resources Inc. into separate public companies. Joyce spent five years in public accounting with KPMG LLP and is a graduate of Simon Fraser University with a Bachelor of Business Administration, majoring in Accounting and Finance with a minor in Economics. Joyce also currently serves as a director of Filo Corp.

Stock Option Grant

The Company announces that it is granting as of December 21, 2023, pursuant to its stock option plan, an aggregate of 400,000 stock options to Jill Donaldson and Joyce Ngo in connection with their appointment, exercisable at \$0.20 per share for a five-year term.

About Bluestone Resources

Bluestone Resources 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, a near surface mine development project located in Southern Guatemala in the department of Jutiapa. The Company released the results of a Feasibility Study for the project, outlining an asset capable of producing over 300 koz/yr at head grades of +2.0 g/t gold. The project will produce 2.6 million ounces of gold over the life of mine at an all-in sustaining cost of \$629/oz (as defined per World Gold Council guidelines, less corporate general and administration costs) over an initial 14-year mine life. The Company trades under the symbol "BSR" on the TSX Venture Exchange and "BBSRF" on the OTCQB.

On Behalf of Bluestone Resources Inc.

"Peter Hemstead"

Peter Hemstead | President, CEO, and Director of the Board

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Neither the TSX Venture 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 use of proceeds of the Loan; the issuance of shares as consideration for the Loan; the receipt of required regulatory approvals, including approval of the TSX Venture Exchange; timeline of the permit amendment; the grant and terms of the stock options; projections on returns from the Cerro Blanco gold project (the “Project”); the estimated gold production volume per year from the Project; life of mine gold production amounts; average all-in sustaining costs (“AISC”); and length of initial mine life.

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 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 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 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 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; risks related to fluctuations in commodity prices and currency exchange rates; environmental hazards and infrastructure; compliance with government laws and regulations, including anti-corruption laws, and associated costs of compliance; tax risks; reliance on third parties and risks associated with having foreign subsidiaries; risks associated with having a limited operational history; risks related to substantial capital requirements; acquisition risk; future sales or issuances of common shares; risks related to competition and dependence on key personnel; risks related to conflicts of interest; uninsurable risks; risks related to changes in climate conditions; risks related to control persons; information technology security risks; litigation risk; geopolitical risks and conflict; and inflation. 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, 2022, available on the Company’s SEDAR+ profile at www.sedarplus.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.

Non-GAAP Financial Performance Measures

The Company has included a non-Generally Accepted Accounting Principles (“GAAP”) measure in this news release that is not defined under International Financial Reporting Standards (“IFRS”), being AISC per payable ounce of gold sold. Non-GAAP measures do not have any standardized meaning prescribed under IFRS and, therefore, they may not be comparable to similar measures employed by other companies. The Company believes that these measures, in addition to measures prepared in accordance with GAAP, 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-GAAP 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 GAAP. These measures do not have any standardized meaning prescribed under GAAP, and therefore may not be comparable to similar measures presented by other issuers.

All-in sustaining costs

The Company believes that 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.