

**Bluestone Resources Commences Flow Test Program at the Mita Geothermal Project**

**January 17, 2018 – VANCOUVER, BRITISH COLUMBIA - Bluestone Resources Inc. (TSXV:BSR) ("Bluestone" or the "Company")** is pleased to provide an update regarding the permitted Mita Geothermal project ("Mita") located adjacent to Bluestone's Cerro Blanco Gold project in Guatemala. Bluestone's Board of Directors has approved a flow test program to further test select geothermal wells with the goal of upgrading the confidence level of the known geothermal reservoir. The data collected will provide the basis for the development strategy going forward. Flow testing is expected to commence in February and be completed by the end of March. In preparation for the testing, construction of the necessary infrastructure has already commenced with the installation of pipelines, pumps, sumps, downhole logging equipment, and monitoring equipment.

Bluestone's President and CEO, Darren Klinck, commented "We believe there is considerable unrealized value in the Mita Geothermal project as evidenced by more than US\$60 million invested in the project in the past, the market value of such geothermal projects once in production, and importantly, the direct alignment with the Guatemalan government's focus on transferring base load power generation to renewable sources such as geothermal."

The multi-well flow test program will:

- Collect fundamental static and dynamic resource data for use in future resource modeling and utilization; and
- Provide a quantitative and realistic prediction of resource performance for an updated project design (wellhead pressure, flow rates, enthalpy, injection pressure, and duration of sustainable commercial production).

Since 2009 many of the geothermal wells at Mita were flow tested with various short-term, single well flow tests. While there were no four-week, multi-well flow tests completed, the data gathered from those tests was used in selecting the wells for the upcoming test program.

**Mita Geothermal Project Overview**

The Mita geothermal resource was discovered in the late-1990s during gold exploration in southeastern Guatemala. The geothermal resource is located adjacent to Bluestone's Cerro Blanco Gold deposit with the Company controlling the necessary surface rights for both projects.

Previous operators spent approximately US\$60 million permitting and advancing the Mita Geothermal project. A total of 19 geothermal wells have been drilled up to depths of 1,500 meters to delineate the geothermal resource including nine slim holes and ten standard-diameter wells. An internal Goldcorp pre-feasibility study on the Mita geothermal project was completed in 2011 and later a feasibility study in 2013, both internal studies returned positive economics.

In 2015 a 50-year license was granted to build and operate a 50 MW geothermal power plant. The Mita Geothermal project was part of an integrated dewatering and power generation strategy with the Cerro Blanco gold project before it was put on care and maintenance in 2012.

It is projected that beneath the Mita geothermal concession, a deeper geothermal reservoir exists at depths of 2,000 to 3,000 meters. Geothermometry projects temperatures of 220+°C. The geothermal fluids migrate up a major fault system creating an intermediate geothermal reservoir (600-900 meters) at temperatures up to 200+°C, which has been encountered by existing geothermal exploration wells. The development of a potential deeper geothermal reservoir could provide additional power generation to utilize the permitted capacity of up to 50 MW.

The Guatemalan power grid is located 8 km from the Mita Geothermal project. Over the past few years, electrical infrastructure has been upgraded to this part of the country significantly shortening the distance from the project to the main grid.

The government, through the National Electrical Energy Commission, announced that it is preparing to issue an RFP for 420 megawatts of power, of which 40 megawatts is to be reserved specifically for geothermal energy.

While the Cerro Blanco gold project is not dependent on the Mita Geothermal project, Bluestone's management believes that there are potential synergies between the two that enhance the economics of the Cerro Blanco gold project beyond what was outlined in the Preliminary Economic Assessment available at [www.sedar.com](http://www.sedar.com).

### **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 Project economics, as disclosed in the Company's Cerro Blanco Preliminary Economic Assessment which is available at [www.sedar.com](http://www.sedar.com), and updated mineral resource estimate for Cerro Blanco indicates 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 estimated 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.

### **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.

The scientific and technical disclosure in this news release has been reviewed and approved by John Robins, Executive Chairman of the Company, who is a Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

*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 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.