

Bluestone Announces Further High-Grade Sample Results at Cerro Blanco and Provides an Exploration Update

January 23, 2018 – VANCOUVER, BRITISH COLUMBIA - Bluestone Resources Inc. (TSXV:BSR) ("Bluestone" or the "Company") today announces an update on the exploration and in-fill drilling program currently underway at its Cerro Blanco Gold project in Guatemala. The work is being undertaken in conjunction with the commencement of the Feasibility Study announced on September 18, 2017. Recent results include many high-grade underground channel sample assays, e.g. 270.5 g/t Au and 637 g/t Ag over 2.5 m, that continue to confirm the bonanza-style veins and vein swarms at Cerro Blanco. Three drill rigs are currently operational on surface, and an underground in-fill drill program has now commenced. The underground drill program will utilize the three kilometres of underground development that was completed, as part of a US\$230 million investment in the Cerro Blanco Gold project by previous operators.

Underground Sampling

Additional assays were received for 90 underground chip channel samples of known and previously unmapped veins including several remarkably high grades (see Table 1). High-grade mineralisation is associated with banded chalcedony quartz-adularia veins and stockworks with minor pyrite and silver sulphides. Some 51% of samples assayed graded equal or greater than 3 g/t, with an average of 35.5 g/t Au and 90 g/t Ag over widths ranging from 1 to 3 m. Channel samples are cut with a diamond rock saw to ensure they are consistent and representative under industry best practice, with the objective of inclusion into the updated mineral resource estimate planned for mid-2018. The information will also assist in current trial mining of specific headings and mine planning/dilution studies. Vein exposures are limited to the lower half of tunnel walls that are not masked by wire mesh and shotcrete. A map showing the location of samples can be seen below.

Table 1. Sampling Highlights

Sample ID	Gold g/t	Silver g/t	Sample Width (m)
RCB 3023*, 3041	270.54	636.8	2.5
RCB 3039 - 3040	132.5	385.6	1.5
RCB 3042 - 3043	6.62	14.48	1.4
RCB 3044 - 3046	8.3	25.2	3.0
RCB 3100 - 3101	7.8	12.7	1.75
RCB 3034	18.8	31.2	1.0
RCB 3036	53.1	77.3	1.0
RCB 3037	358.4	978.5	1.0
RCB 3038	40.6	84.4	1.0
RCB 3056 - 3057	33.45	80.55	2.0
RCB 3070	20.9	41.3	1.0
RCB 3071	11.6	49.1	1.0
RCB 3085	12.1	64.0	1.0
RCB 3093	11	10.0	1.0
RCB 3096	83.5	159	1.2
RCB 3098	7.9	17.9	1.3
RCB 3099	340.8	1186	1.0

** Sample result previously reported. More than one sample denotes contiguous samples with calculated weighted average grade. Sample widths may not represent true widths*

Surface and Underground Drilling

A 6,000 m surface in-fill drill program is currently underway and is designed to test for both extensions of known quartz-adularia veins and new veins / vein swarms in the under-drilled parts of the current resource envelope. Additionally, the Company recently commenced an underground drill program comprising approximately 5,000 m of drilling, which will improve resource definition, prediction and estimation of high-grade veins. Results from the underground drill program will be incorporated into the new resource estimation planned for mid-2018 and help guide mine planning and mine design parameters.

Revised Geological Model

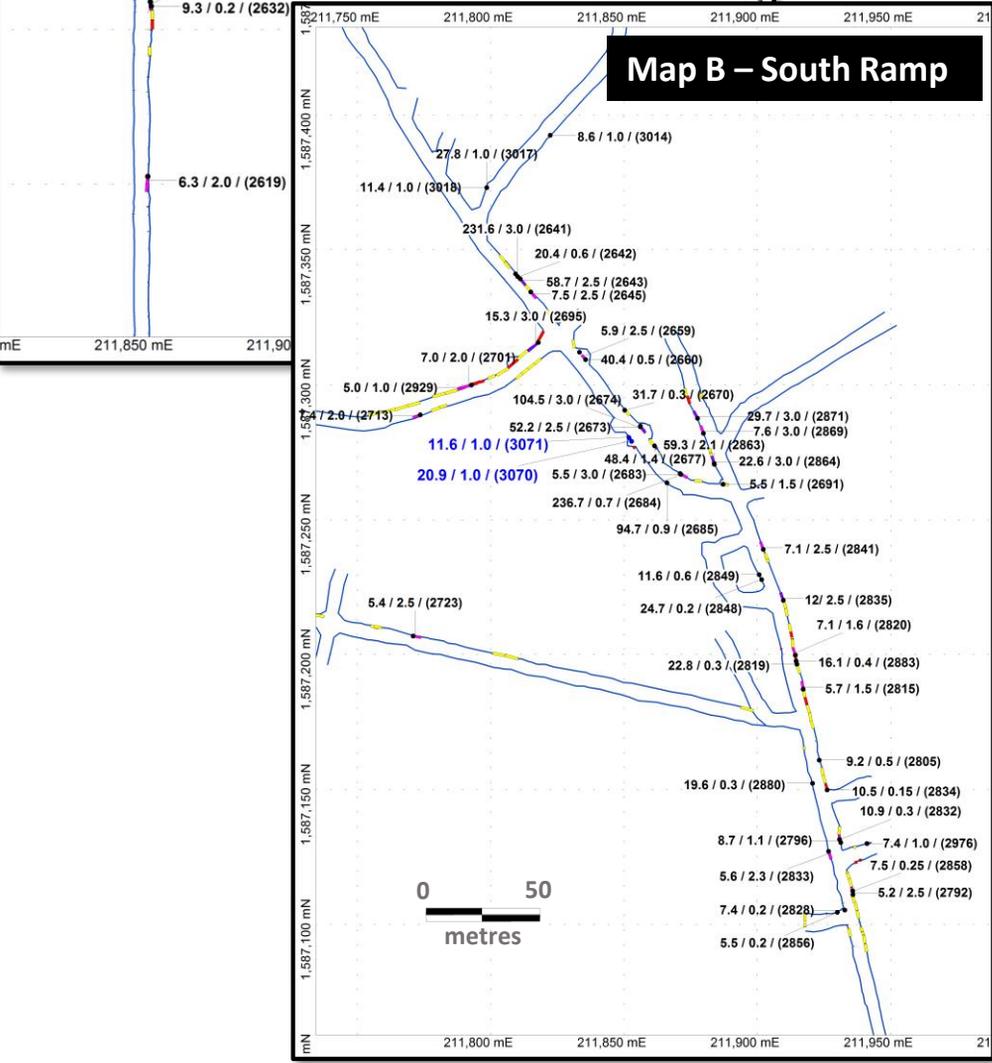
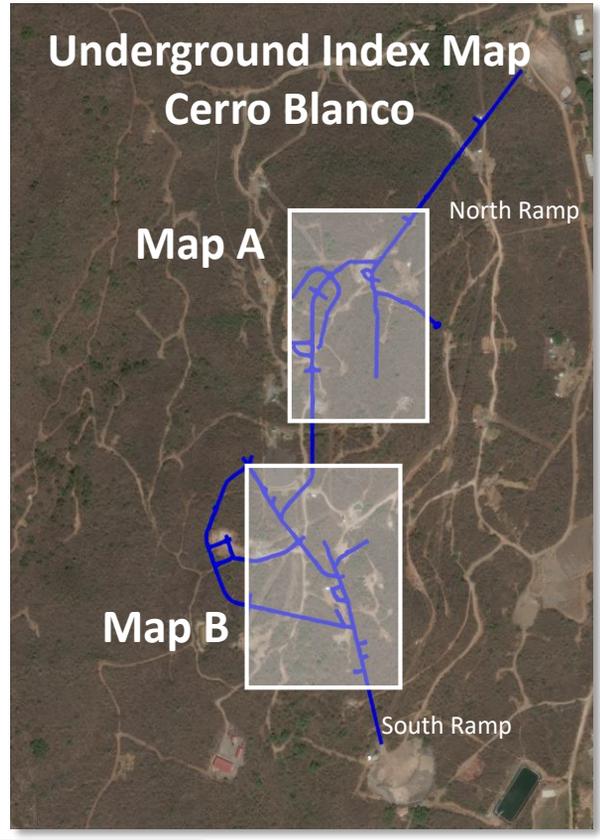
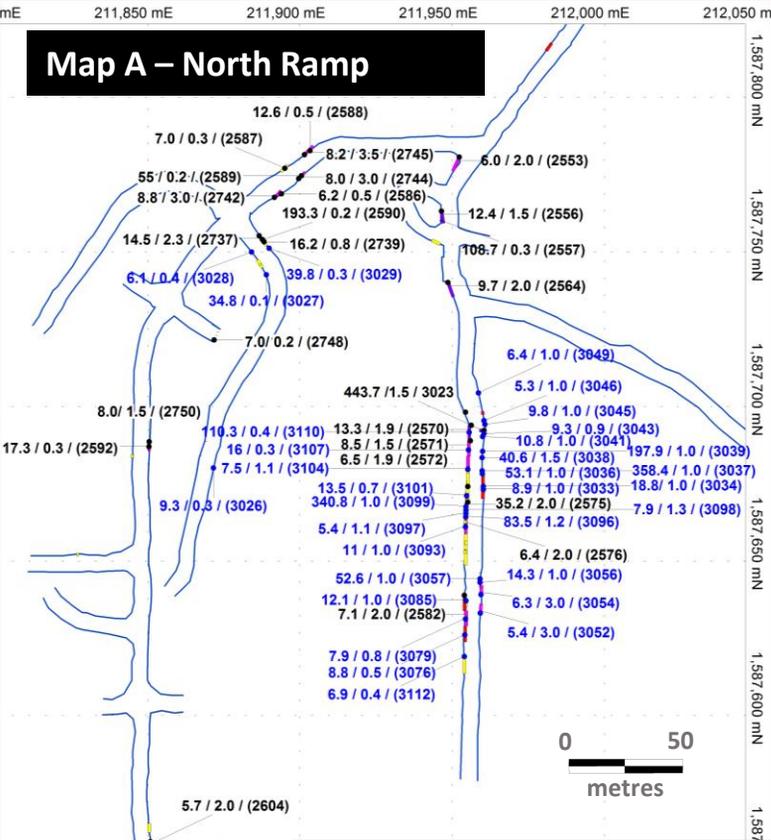
A detailed geological and structural study of the deposit entailing relogging of drill core and structural mapping of the underground workings is near completion. This has resulted in a better understanding of the deposit, the identification of many new veins that are orientated obliquely or perpendicular to the main vein trend and therefore not previously recognized in earlier drill programs. Further work is underway to determine how many of these new veins will be incorporated into a new resource estimate and were not in the Mineral Resource Estimate defined in the Preliminary Economic Assessment available at www.sedar.com.

Sampling Quality Analysis and Quality Control

Assay results listed within this release were conducted by Inspectorate Laboratories, a division of Bureau Veritas, which are ISO 17025 accredited laboratories. Logging and sampling are undertaken at site at Cerro Blanco under a QA/QC protocol developed by Bluestone. Samples are transported in security sealed bags to Inspectorate, Guatemala City, Guatemala for sample preparation. Sample pulps are then shipped to Inspectorate, Vancouver, BC, Canada and Inspectorate, Reno, NV, USA and assayed using industry-standard assay techniques for gold and silver. Gold and silver was analysed by a 30-gram fire assay with an AA and or using gravimetric finish for values exceeding 3 g/t Au and 200 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 by Bluestone personnel of blind certified standards, blanks and duplicates into the sample stream at regular intervals to independently assess analytical precision and accuracy of each batch of samples as they are received from the laboratory.

About Cerro Blanco

Cerro Blanco is a classic "bonanza style" hot springs-related, low sulphidation gold-silver deposit. Mineralization occurs within composite veins of chalcedony, quartz, adularia and calcite which are hosted in altered sequence of volcanoclastic and sedimentary rocks. The current resource has a footprint of 800 m x 400 m between elevations of 300 m and 500 m above sea level. It occurs at the south end of a north-south corridor of hydrothermal alteration, about five kilometers long and one kilometer wide, with has potential for discovery of additional mineralization. This corridor has several other gold targets under investigation now. The current resource comprises both high and low angle veins of colloform chalcedony, adularia, dark grey bands of silver sulphides, and bladed calcite replacement texture. These textures are all classic indicators of boiling fluids that deposited gold and silver.



Legend

- Sample - this Press Release
- Sample Previously Reported

Au g/t / Sample / Sample ID

Underground Workings

1 to 3 g/t
 3 to 5 g/t
 5 to 10 g/t
 > 10 g/t

0 50
metres

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 ("NI 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.

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 Gold project economics, as disclosed in the Company's Cerro Blanco Preliminary Economic Assessment which is available at 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.