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Bluestone Announces Increased Size of Private Placement Financing to \$80,000,000 for Acquisition of Cerro Blanco Gold Project

February 28, 2017

Vancouver, B.C. – Bluestone Resources Inc. (TSX VENTURE: BSR) (“Bluestone” or the “Company”) today announced that in connection with its previously announced private placement offering (the “Offering”) of subscription receipts (each a “Subscription Receipt”) disclosed in the Company’s news release dated February 7, 2017 (the “News Release”), the Company and Cormark Securities Inc., the lead agent acting on behalf of a syndicate of agents (the “Agents”), have agreed to increase the size of the Offering to up to C\$80,000,000 at a price of C\$1.50 per Subscription Receipt. The Company will issue an aggregate of a minimum of 26,666,666 Subscription Receipts and up to 53,333,333 Subscription Receipts on the terms as set out in the News Release. The Company had previously announced that it would undertake an equity financing of a minimum of C\$40,000,000.

The Company intends to use the net proceeds of the Offering to fund the acquisition of the Cerro Blanco gold project (“Cerro Blanco”) and the Mita Geothermal project from Goldcorp Inc. (as announced in the Company’s news release dated January 11, 2017), the development of Cerro Blanco, and for general corporate purposes.

The Offering is expected to close on or about March 15, 2017 and is subject to certain conditions including, but not limited to, the receipt of all necessary approvals including the approvals of the TSX Venture Exchange.

All securities issued pursuant to the Offering will be subject to a statutory four-month hold period from the closing date of the Offering in accordance with Canadian securities legislation, subject to the prospectus qualification (as referenced in the Company’s news release dated February 7, 2017).

This news release does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

About Bluestone Resources Inc.:

Bluestone Resources Inc. (TSX-V: BSR) announced on January 11, 2017 that it had entered into an agreement with Goldcorp Inc. to acquire 100% of Goldcorp's Cerro Blanco Gold project and Mita Geothermal projects located 160 km southeast of Guatemala City in Guatemala. Cerro Blanco is one of the world's highest grade undeveloped gold projects that is fully permitted for production. The Cerro Blanco project economics as disclosed in the Company's press release dated February 7, 2017 announcing the results of a preliminary economic assessment (the "PEA") and updated Mineral Resource Estimate for Cerro Blanco indicate a rapid pay-back, high margin, underground mining project with robust economics in the current gold price environment. At a gold price of US\$1,250/oz, the Cerro Blanco base case estimate (the "Base Case") generates an after-tax net present value at a 5% discount rate of US\$317 million and an internal rate of return of 43.9%. The proposed mine will operate over a nine year mine-life with total gold and silver production of approximately 952,000 ounces and 3,141,000 ounces, respectively. Initial capital expenditures to fund construction and commissioning is estimated at US\$170.8 million. The all-in sustaining cash costs (as defined per World Gold Council guidelines, less corporate general and administration costs) is estimated to be US\$490 per ounce of gold produced.

The technical and scientific information in this news release has been reviewed by Maz Mohaseb, P.Eng. of JDS Energy & Mining Inc., who is an independent Qualified Person as defined by National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* ("NI 43-101").

In connection with the proposed acquisition, Bluestone has engaged Cormark Securities Inc. as its financial advisor; JDS Energy & Mining Inc. as lead technical consultant; Mr. Garth Kirkham, P. Geo., as a Qualified Person as defined by NI 43-101; and Axium Law Corporation as its legal advisor.

On behalf of the Board

Bluestone Resources Inc.

John Robins, President and Chief Executive Officer

For further information, contact:

John Robins at (604) 657-6226

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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.

Forward Looking Statements

Certain information set forth in this news release contains "forward-looking statements", 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 acquisition of Cerro Blanco and the Mita Geothermal project (the "Acquisition") and

the Offering, future performance based on current results, expected cash costs and estimates of Cerro Blanco economics, including estimates of capital costs of constructing mine facilities and bringing a mine into production and of sustaining costs, net present value and proposed production timelines and rates, 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 Acquisition, the Offering or obtain requisite TSX Venture Exchange acceptance and shareholder approval, if necessary; risks and uncertainties related to expected production rates, timing and amount of production and total costs of production; risks and uncertainties related to the accuracy of mineral resource estimates and of future production, future cash flows, total costs of production and diminishing quantities or grades of mineral resources; and risks associated with geopolitical uncertainty and political and economic instability in Guatemala. There can be no assurance that such forward-looking statements will prove to be accurate, and actual results and future events could differ materially from those anticipated in such statements. Any forward-looking statement speaks only as of the date on which it was made, and 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.