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Bluestone Announces Private Placement Financing for Acquisition of Cerro Blanco Gold Project

Vancouver, B.C. – Bluestone Resources Inc. (TSX VENTURE:BSR) (“Bluestone” or the “Company”) today announced, in connection with the Company’s proposed acquisition (the “Acquisition”) of the Cerro Blanco gold project (“Cerro Blanco”) and the Mita Geothermal project from Goldcorp Inc. (“Goldcorp”) as announced by press release dated January 11, 2017, Bluestone has entered into an engagement agreement with Cormark Securities Inc. (“Cormark”), who will act as lead agent on behalf of a syndicate of agents, to carry-out a best efforts private placement (the “Offering”) of subscription receipts (the “Subscription Receipts”). It is anticipated that the Offering shall raise aggregate gross proceeds to the Company of a minimum of C\$40,000,000. The Company intends to use the net proceeds of the Offering to fund the Acquisition, the development of Cerro Blanco and for general corporate purposes. The issue price of the Subscription Receipts will be determined in the context of the market and announced at a later date.

Each Subscription Receipt will entitle the holder thereof, provided that the Escrow Release Conditions (as defined below) have been satisfied prior to the Termination Date (as defined below), to receive one common share of the Company (a “Common Share”) without payment of additional consideration or further action, upon the date (the “Qualification Date”) which is the earlier of: (i) four months and a day after the closing of the Offering; and (ii) the third business day following the issuance of a receipt (the “Final Receipt”) for a final short form prospectus qualifying the Common Shares underlying the Subscription Receipts. The Company will use its commercially reasonable efforts to obtain a Final Receipt from the applicable principal regulator as soon as practicable. In the event that the Final Receipt is not obtained within 75 calendar days of the closing date of the Offering, then each Subscription Receipt outstanding will, when deemed exercised on the Qualification Date, entitle the holder thereof to acquire 1.1 Common Shares without further payment on the part of the holder.

The Subscription Receipts will be issued pursuant to a subscription receipt agreement (the “Subscription Receipt Agreement”) to be entered into among the Company, Cormark and a subscription receipt agent to be determined. Pursuant to the Subscription Receipt Agreement, the gross proceeds from the Offering (less the agent’s reasonable out-of-pocket expenses and the reasonable fees and disbursements of the Agent’s legal counsel) (the “Net Escrowed Funds”) will be held in escrow pending satisfaction of certain escrow release conditions (the “Escrow Release Conditions”), including (i) all necessary corporate, regulatory, shareholder and other approvals or consents necessary for the completion of the Acquisition and for the issuance of all Common Shares upon the deemed exercise of the Subscription Receipts having been obtained; and (ii) all of the conditions precedent to the Acquisition (save solely for the payment of the purchase price thereof) shall have been satisfied. Upon satisfaction of the Escrow Release Conditions, the cash commission will be released to Cormark and the balance of the Net Escrowed Funds, together with any interest earned thereon, will be released to the Company. Notwithstanding the release of the Net Escrowed Funds to the Company and Cormark upon satisfaction of the Escrow Release Conditions and closing of the Acquisition, the Subscription Receipts will not convert into Common Shares until the Qualification Date, as described above.

If: (i) the Escrow Release Conditions have not been satisfied by 5:00 p.m. (Vancouver time) on the date that is four months and a day following the closing date of the Offering; (ii) the Acquisition is terminated at any earlier time; or (iii) the Company advises Cormark, on behalf of the agents, or announces to the public that it does not intend to proceed with the acquisition (in any case, a "Termination Event", and the date upon which such event occurs, the "Termination Date"), the Subscription Receipts will be deemed to be cancelled and holders of Subscription Receipts will receive a cash amount equal to the offering price of the Subscription Receipts and any interest that was earned on the Net Escrowed Funds less any applicable withholding taxes. The Company will be responsible for any shortfall in the amount returnable to holders of Subscription Receipts in this event.

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 referred to above.

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.

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 has entered into an agreement with Goldcorp Inc. to acquire 100% of Goldcorp's Cerro Blanco Gold project and Mita Geothermal project in Guatemala. 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 qualified person as defined by National Instrument 43-101; and Axiom 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 or Robert Simpson at (604) 681-1407

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 and the Offering, 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 Acquisition, the Offering or obtain requisite Exchange acceptance and shareholder approval, if necessary. 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 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.