



## **Bluestone Completes Acquisition of the Cerro Blanco Gold and Mita Geothermal Projects from Goldcorp**

**\$80,000,000 financing closed and released from escrow**

**May 31, 2017**

**Vancouver, B.C. – Bluestone Resources Inc. (BSR: TSX-V)** (“Bluestone” or the “Company”) is pleased to announce that further to the Company’s press releases dated January 11, 2017, February 7, 2017, February 28, 2017 and April 20, 2017, the Company has closed the acquisition of the Cerro Blanco Project and the Mita Geothermal Project located in Guatemala from Goldcorp Inc. (“Goldcorp”), effective May 31, 2017. Concurrent with the closing, the proceeds of the previously completed \$80 million private placement financing were released from escrow.

In addition to the Cerro Blanco and Mita Projects, Bluestone has acquired a right of first refusal with respect to the purchase of certain assets and equipment at Goldcorp’s Marlin mine, also located in Guatemala. As part of the transaction consideration, Bluestone paid Goldcorp a USD\$2 million non-refundable deposit to be applied against future purchases of Marlin assets. Bluestone has also acquired access to Goldcorp’s geological exploration database for Guatemala. For further details regarding the transaction, refer to the Company’s AIF effective May 12, 2017 which is available on Sedar.com.

John Robins, Chairman and Interim CEO, stated: “Today’s closing of the acquisition of the Cerro Blanco Gold Project and the Mita Geothermal Project from Goldcorp transforms Bluestone into a leading development stage gold company focused on the prompt advancement of one of the world’s highest grade undeveloped gold projects that is fully permitted for production. We look forward to integrating the Cerro Blanco team and workforce within the Bluestone team and also look forward to developing the Cerro Blanco project in cooperation with our local community partners and government stakeholders.”

Pursuant to the terms of the transaction, Goldcorp received approximately USD\$20 million in cash (which includes the USD\$2 million non-refundable deposit for the Marlin assets), a 1% net smelter return royalty on production, the right to receive 3,099,160 common shares of Bluestone (which will represent 4.9% of Bluestone’s issued and outstanding common shares), and 258,805 common share purchase warrants. Goldcorp will also receive an additional USD\$15 million in cash within 6 months of the commencement of commercial production at Cerro Blanco.

Following closing, Bluestone has approximately CAD\$49 million in working capital which will be allocated towards the exploration and development of the Company’s assets in Guatemala. Upon conversion of the previously issued subscription receipts and convertible notes into common shares, Bluestone will have 63,248,163 common shares and 5,281,739 share purchase warrants outstanding. Lorito Holdings S.à.r.l. and Zebra Holdings and Investments S.à.r.l., two companies controlled by a trust settled by the late Adolf H. Lundin will hold 19,867,000 common shares representing approximately 31.4% in aggregate of the outstanding common shares of the Company. In addition, CD Capital Natural Resources Fund III L.P. will hold 10,666,333 common shares representing approximately 16.9% of the outstanding common shares of the Company.

#### About Bluestone Resources Inc.:

Bluestone owns a 100% interest in the Cerro Blanco Gold 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 its Preliminary Economic Assessment ("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 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 is expected to 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.

#### 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 by John Robins, CEO of the Company, who is a Qualified Person as defined by National Instrument 43-101 - Standards of Disclosure for Mineral Projects.

On behalf of the Board

#### **Bluestone Resources Inc.**

John Robins, Chairman and Chief Executive Officer

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#### 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 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 and the results of the due diligence investigations to be conducted by the Company. 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 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.

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