

September 25, 2017

Cerro Blanco Project Exploration update

VANCOUVER, BRITISH COLUMBIA - Bluestone Resources Inc. (TSX VENTURE:BSR) ("Bluestone" or the "Company") is pleased to announce an exploration activity update from the Cerro Blanco gold project in Guatemala.

Exploration activities incorporates three key areas: 1) Cerro Blanco deposit; 2) Cerro Blanco project area; and 3) Structural Geology.

Bluestone's President & CEO Darren Klinck commented, "We are pleased to have a number of exploration initiatives underway at Cerro Blanco. This work represents the first geological related work on the project in more than four years and will form important contributions to the Feasibility Study as well as our objective to identify near-term opportunities for resource expansion."

Cerro Blanco Deposit

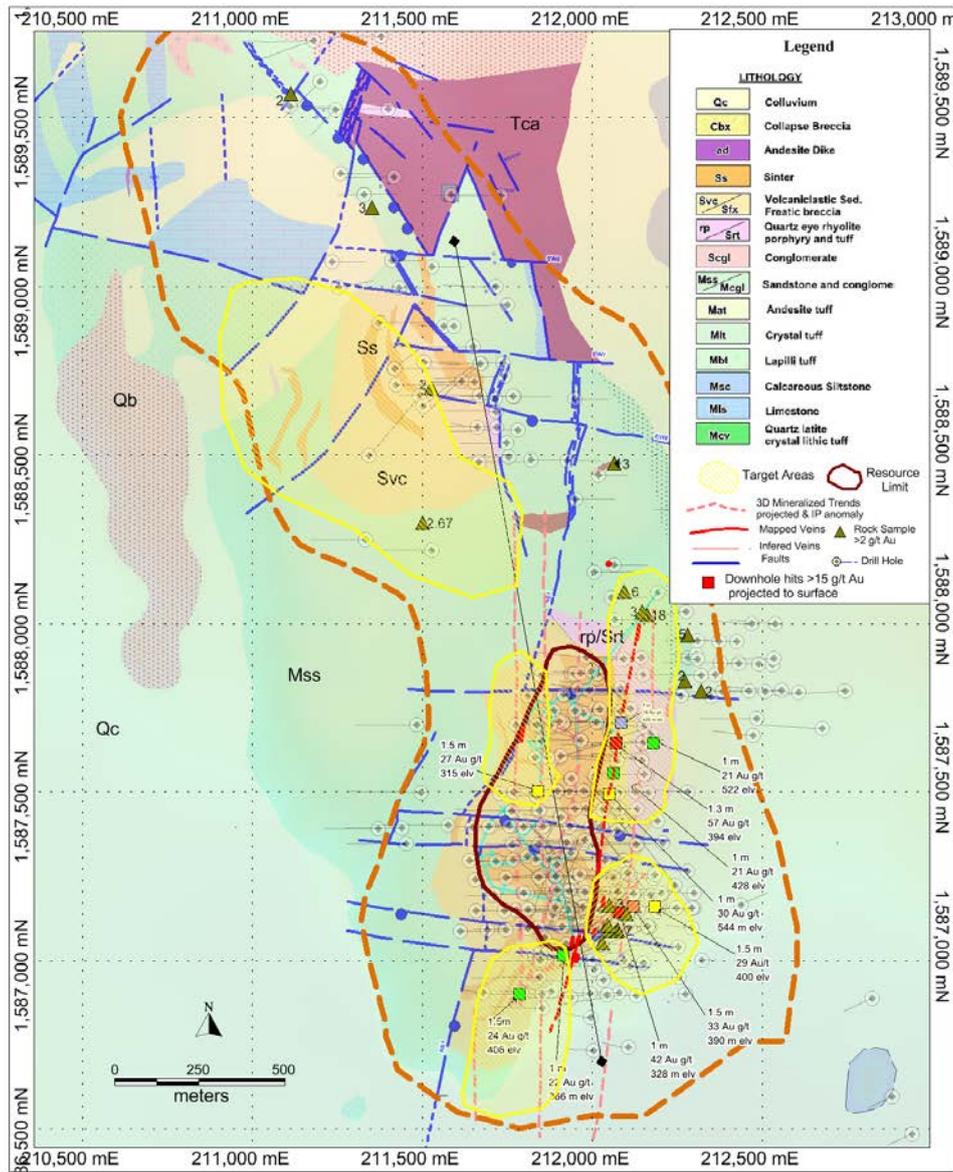
An analysis of the current resource model by Garth Kirkham, P.Geo. of Kirkham Geosystems Ltd. (as per February 7, 2017 BSR press release) has identified several priority target areas. These represent areas that are under-drilled and are either adjacent to, or exist as targets, within the resource envelope. The Company is proposing an initial Phase 1 drill program that will consist of more than 5,000 meters of diamond drilling, and is expected to commence in October 2017 to test these targets, expand resources, and increase confidence and continuity.

In addition, an underground channel sampling program commenced in July. Work to-date from this program confirms the veins observed are consistent with the resource model which has been based on surface drill results previously completed by Goldcorp. The mapping and sampling has also identified several new mineralized structures which are not currently included in the resource model. More than 280 channel samples have been collected from targeted areas within the three kilometres of the underground workings at Cerro Blanco. Sampling is still underway and a full complement of results are expected to be received in the coming weeks. This program represents the first physical geological work done on the project in more than four years.

Cerro Blanco Project Area

A reconnaissance program has been initiated targeting untested structures outside of the known limits of the current resource. Multi auriferous anomalies defined by historical geophysical, geochemical data and drill data have identified mineralized corridors that range between 150 and 500 meters which is consistent with the mineralized envelopes at Cerro Blanco. The initial program will assess the larger scale potential of the land package through a combination of systematic grid-based soil sampling, geological mapping and prospecting, augmented by the geophysical data. This systematic form of exploration is planned to cover the prospective tenements package. Figure 1 below displays the interpreted geological setting of the project area along with five target areas recently identified outlined in yellow.

Figure 1 – Cerro Blanco Geological Map



Structural Geology

The Company has engaged Warren Pratt, Ph.D. from SGM Ltd. to conduct a structural review of the Cerro Blanco project. Work commenced in July and is expected to continue for the coming months. The objective of the work program is to conduct a full structural analysis of the Cerro Blanco project. Data from the structural geology work will be directly applied to the Feasibility Study already underway in the areas of ore-reserve estimation, geotechnical, mine planning and water management. In addition, this information will be a valuable guide for exploration activities in the broader Cerro Blanco project area as well as further enhancing our understanding of the Mita geothermal project. Work underway has consisted of core relogging and underground structural mapping. This has highlighted several folds, which are now believed to be important controls for mineralization. Ongoing work is targeted at creating wireframes of individual veins and vein zones to constrain resource calculations.

About Specialised Geological Mapping Ltd (SGM)

SGM Principal, Dr. Warren Pratt, has a PhD in Structural Geology from the University College of Wales and brings extensive worldwide experience in a great variety of geological terrains, including epithermal systems. Dr. Pratt is fluent in Spanish and has a strong mapping background, including a decade of British Geological Survey training. In 1994 he won the President's Award of the Geological Society of London for detailed thematic mapping. Since 1995 he has worked extensively in Au, Ag and Cu exploration, including consulting on World Class mineral deposits (e.g. Navidad, Argentina; Kupol, Russia; Ventana Gold, Colombia).

Qualified Persons

The technical information in this news release has been prepared in accordance with Canadian regulatory requirements set out in National Instrument 43-101 ("NI43-101") and reviewed and approved by David R. Gunning, P. Eng., Vice President of Operations, and a Qualified Person.

Garth Kirkham, P.Geo., of Kirkham Geosystems Ltd. is the Qualified Person, as defined in National Instrument 43-101, responsible for the geological information as reported herein. He has read and approved the relevant technical portions of this news release.

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 deposit is a classic hot-springs-related low-sulfidation quartz-chalcedony-adularia-calcite vein system. It is localized along a complex fault intersection created during late Miocene-Pliocene tectonic extension within the active Central American volcanic arc. The district is very prospective for precious metal mineralization with further possibilities for hot springs-related, low sulfidation gold-silver deposits.

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.

Bluestone is well financed with approximately US\$35 million in the treasury (as of August 31, 2017). The Company trades under the symbol "BSR" on the TSX Venture Exchange.

On Behalf of Bluestone Resources Inc.

"Darren Klinck"

Darren Klinck

President and Chief Executive Officer

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Cautionary Language

The Preliminary Economic Assessment (“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.

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.