

## Bluestone Drilling Delivers 7.9 meters of 19 g/t Au & 44 g/t Ag and 9 meters of 8.4 g/t Au & 53 g/t Ag at Cerro Blanco

July 3, 2019 – VANCOUVER, BRITISH COLUMBIA – Bluestone Resources Inc. (TSXV:BSR | OTCQB:BBSRF) ("Bluestone" or the "Company") is pleased to announce additional high-grade drill assays from its ongoing infill resource conversion program at its Cerro Blanco Gold project.

The Cerro Blanco Feasibility Study (see press release [January 29<sup>th</sup>, 2019](#)) highlighted 357,000 ounces of Inferred Resources (1.4 Mt grading 8.1 g/t Au) that could be potentially converted to Measured and Indicated Resources through infill drilling. The focus of the current program is the conversion of Inferred Resources within key veins in the upper part of the Cerro Blanco ore body and vein extensions outside of the current resource.

A total of eight holes are reported in this press release and 47 holes have been reported to date, for 4,992 meters of infill drilling undertaken since the Feasibility Study.

**Table 1. Significant Intercepts (this Press Release)**

HOLE ID	FROM (m)	TO (m)	CORE INTERVAL (m)	TRUE WIDTH (m)	Au g/t	Ag g/t	Vein ID
UGCB19-137	6.3	7.4	1.1	1.1	5.4	6.3	VN_29_New
	49.2	50.3	1.1	1.1	12.7	12.0	VN_18
UGCB19-138	18.6	19.6	1.0	1.0	3.9	6.6	VN_20
	37.5	38.5	1.0	1.0	4.9	34.1	VN_18
	112.3	113.3	1.0	1.0	7.9	81.9	VN_02
	121.2	122.2	1.0	1.0	5.6	45.4	VN_05
UGCB19-139	128.6	129.7	1.1	1.0	7.8	71.4	VN_06
	32.6	34.9	2.3	2.0	8.1	24.1	VS_31
	50.6	51.5	0.9	0.9	6.0	22.3	-
	94.8	95.7	0.9	0.9	4.7	19.6	VS_24
	97.8	99.0	1.2	1.0	5.3	21.6	VS_24
UGCB19-140	105.5	106.7	1.2	1.2	4.0	10.5	-
	14.2	15.2	1.0	1.0	4.5	33.5	VN_29_New
	29.0	30.0	1.0	1.0	11.7	29.0	VN_01
	75.0	76.0	1.4	1.4	7.4	19.1	VN_18
UGCB19-141	38.0	39.0	1.0	1.0	3.8	9.9	VN_18
	120.2	121.7	1.5	1.5	26.8	189.0	VN_02
UGCB19-142	8.0	9.0	1.0	1.0	4.1	21.5	VN_29_New
UGCB19-143	2.4	3.7	1.2	1.2	7.4	23.2	VS_20
	6.3	7.3	1.0	1.0	6.7	32.6	VS_20
	10.9	12.0	1.1	1.1	12.6	24.5	VS_15
	<b>57.0</b>	<b>66.0</b>	<b>9.0</b>	<b>9.0</b>	<b>8.4</b>	<b>53.2</b>	VS_07, 08
	<i>incl.</i>	57.9	59.7	1.8	1.8	24.9	134.8
	67.8	68.8	1.0	1.0	4.8	43.3	VS_06
	74.5	75.6	1.1	1.1	91.7	561.0	VS_06
	150.0	152.8	2.8	2.8	8.2	57.1	Vein New
	185.4	187.9	2.5	2.5	13.6	52.8	Vein New

HOLE ID	FROM (m)	TO (m)	CORE INTERVAL (m)	TRUE WIDTH (m)	Au g/t	Ag g/t	Vein ID
UGCB19-144	4.2	5.2	1.0	1.0	5.4	7.5	VN_27_New
	89.3	95.8	6.5	6.1	4.0	3.5	VN_02, 03, 05
	<b>98.8</b>	<b>106.7</b>	<b>7.9</b>	<b>7.5</b>	<b>19.0</b>	<b>44.3</b>	VN_06, 07, 09
<i>incl.</i>	105.7	106.7	1.0	1.0	98.5	271.0	VN_09
	112.3	113.9	1.6	1.6	75.1	56.2	VN_10
	126.2	136.0	9.8	9.4	7.2	8.7	VN_11
	144.4	146.9	2.5	2.3	64.3	159.3	VN_12
	155.1	156.0	0.8	0.8	9.1	5.9	Vein New
	159.9	160.9	1.1	1.1	6.9	5.8	VN_21

Notes: Intervals in bold are cited in the text of the press release. Only intercepts averaging over 3 g/t Au when diluted to a minimum 3 meters true width are stated. Hole coordinates and azimuth/dip information accompany the plan view attached to this release.

Darren Klinck, President & CEO commented, “The drilling program which has been focused on the North zone at Cerro Blanco over the past few months has demonstrated remarkable continuity and consistency intercepting targeted veins. Additionally, as can be common with these types of deposits, the program continues to identify new veins that will require follow-up and should ultimately be positive for future resource updates. We are very excited with the results to date as well as with the continued strengthening of our understanding on the geologic model which we believe will continue to add significant value to the project.”

All holes cited in this press release were drilled from various platforms located within the underground workings at Cerro Blanco that extend over three kilometers. All holes were designed to target Inferred Resources within the upper parts of the current resource, with all holes drilled in the North Zone with the exception of UGCB19-139 and UGCB19-143 which were collared in the South Zone.

Hole UGCB19-144 drilled in the southern part of the North Zone resource successfully intercepted a total of 12 veins including a new vein, VN\_19. The best intercept was **19 g/t Au and 44 g/t Ag over 7.5 meters** (true width) pertaining to veins VS\_06, VS\_07 and VS\_09, including 1 meter grading 98.5 g/t Au and 271 g/t Ag. Holes UGCB19-137, UGCB19-140, UGCB19-142 were all drilled west from the main North Ramp decline and were successful in intercepting new veins VN\_18 and VN\_29 located in the footwall of the current resource. UGCB19-138 and UGCB19-141 were drilled at positive angles (35 and 50 degrees respectively) and successfully confirmed the extension of vein VN\_02 into the overlying Salinas conglomerates.

Hole UGCB19-143 drilled in the South Zone assayed **8.4 g/t Au and 53.2 g/t Ag over 9 meters** (true width) from 57 meters pertaining to vein VS\_07 and VS\_08.

A plan view showing drill hole locations can be accessed by clicking [HERE](#).

Results for a total of 47 holes have now been released to date as part of the Infill resource conversion program. Drilling is ongoing and further results will be reported in due course.

Precious metal mineralization at Cerro Blanco is associated with classic low sulphidation adularia-sericite epithermal quartz veins and vein swarms hosted in altered sequence of volcanoclastic and sedimentary rocks. Higher grades (>20 g/t Au and >60 g/t Ag) are associated with visible gold and silver sulphides in gangue-style colloform-banded veins.

### **Quality Analysis and Quality Control**

Assay results listed within this release were performed by Inspectorate Laboratories (“Inspectorate”), a division of Bureau Veritas, which are ISO 17025 accredited laboratories. Logging and sampling are undertaken on site at Cerro Blanco by Company personnel 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 shipped to Inspectorate Laboratories in Vancouver, BC, Canada or Reno, NV, USA, and assayed using industry-standard assay techniques for gold and silver. Gold and silver were analyzed by a 30-gram charge with atomic absorption and/or gravimetric finish for values exceeding 5 g/t Au and 100 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 of blind certified reference materials (standards) and field duplicates into the sample stream to independently assess analytical precision and accuracy of each batch of samples as they are received from the laboratory. A selection of samples is submitted to ALS Chemex Laboratories in Vancouver for check analysis and additional quality control.

### **Qualified Person**

David Cass, P.Geol., Vice President Exploration, is the designated Qualified Person for this news release within the meaning of National Instrument 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.

### **Investor Relations Services**

As part of Bluestone’s capital markets initiatives planned throughout the year, the Company has retained PI Financial Corp. (“PI”) to provide market-making services in accordance with TSX Venture Exchange (“TSXV”) policies. In consideration of the services provided by PI, Bluestone will pay PI a monthly cash fee of \$5,000. PI will not receive shares or options as compensation; however, PI and its clients may have or may acquire a direct interest in the securities of Bluestone. Bluestone and PI are unrelated and unaffiliated entities. PI is a member of the Investment Industry Regulatory Organization of Canada (IIROC) and can access all Canadian stock exchange and alternative trading systems. The capital and securities required for any trade undertaken by PI as principal will be provided by PI.

### **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. A Feasibility Study on Cerro Blanco returned robust economics with a quick pay back. The average annual production is projected to be 146,000 ounces per year over the first three years of production with all-in sustaining costs of \$579/oz (as defined per World Gold Council guidelines, less corporate general and administration costs). The Company trades under the symbol “BSR” on the TSX Venture Exchange and “BBSRF” on the OTCQB.

### **On Behalf of Bluestone Resources Inc.**

*"Darren Klinck"*

**Darren Klinck | President, Chief Executive Officer & Director**

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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 conversion of the inferred mineral resources; increasing the amount of measured mineral and indicated mineral resources; the proposed timeline and benefits of further drilling; 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 relating to variations in the mineral content within the mineral identified as mineral resources from that predicted; 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; 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.

### **Non-IFRS Financial Performance Measures**

The Company has included certain non-International Financial Reporting Standards (“**IFRS**”) measures in this new release. The Company believes that these measures, in addition to measures prepared in accordance with IFRS, provide investors an improved ability to evaluate the underlying performance of the Company and to compare it to information reported by other companies. The non-IFRS measures are intended to provide additional information and should not be considered in isolation or as a substitute for measures of performance prepared in accordance with IFRS. These measures do not have any standardized meaning prescribed under IFRS, and therefore may not be comparable to similar measures presented by other issuers.

**All-in sustaining costs**

The Company believes that all-in sustaining costs (“AISC”) more fully defines the total costs associated with producing gold.

The Company calculates AISC as the sum of refining costs, third party royalties, site operating costs, sustaining capital costs and closure capital costs all divided by the gold ounces sold to arrive at a per ounce amount. Other companies may calculate this measure differently as a result of differences in underlying principles and policies applied. Differences may also arise due to a different definition of sustaining versus non-sustaining capital.

**Total cash costs**

Total cash costs is a common financial performance measure in the gold mining industry but has no standard meaning. The Company reports total cash costs on a gold ounce sold basis. The Company believes that, in addition to measures prepared in accordance with IFRS, such as revenue, certain investors can use this information to evaluate the Company’s performance and ability to generate operating earnings and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating cost performance.

Total cash costs include (cost of sales such as mining, processing, maintenance and site administration, royalties, selling costs and by-product credits) to arrive at total cash costs per ounce of gold sold. Other companies may calculate this measure differently.

**AISC and total cash costs reconciliation**

AISC and total cash costs are calculated based on the definitions published by the World Gold Council (“WGC”) (a market development organization for the gold industry comprised of and funded by 18 gold mining companies from around the world). The WGC is not a regulatory organization.