

Bluestone Enters into a US\$30 Million Credit Facility with Natixis & Announces Appointment of Jack Lundin as CEO and to the Board of Directors

January 27, 2020 – VANCOUVER, BRITISH COLUMBIA – Bluestone Resources Inc. (TSXV:BSR | OTCQB:BBSRF) ("Bluestone" or the "Company") is pleased to announce that it has entered into a US\$30 million credit facility (the "Credit Facility") with Natixis. Natixis is a French multinational financial services firm, and one of the lending banks in connection with a potential senior debt project financing package (the "Senior Debt Project Financing").

The proceeds from the Credit Facility will be used for detailed design and engineering, early development work at the Cerro Blanco gold project (the "Project"), and for general corporate purposes.

Darren Klinck, President and CEO, commented, "We are pleased to receive this support from Natixis and The Lundin Family through Nemesia S.à.r.l. The credit facility reflects a strong endorsement for the Project and will allow us to continue advancing financing initiatives and commence engineering & development activities."

Peter Hemstead, CFO, commented, "We have received strong interest on project financing and are currently working with a group of reputable international mine finance banks and multinational development institutions. The Natixis credit facility provides us with the additional time needed to finalize a senior debt project financing package while allowing us to get started on important early design & engineering activities."

Key Terms

- Up to 1-year term with no repayment penalty
- US\$30 million commitment
- Interest rate of LIBOR + 0.45%

Management Appointment

The Company is pleased to announce the appointment of Jack Lundin to the management team and Board of Directors. Jack will assume the Chief Executive Officer role, with current President & CEO, Darren Klinck retaining the role of President.

Darren Klinck commented, "I'm excited to welcome Jack to the Bluestone team at this transformational time in our development and I look forward to working closely with him as we advance Bluestone and the Cerro Blanco project. We are very fortunate to have had strong shareholder support as we have advanced our strategy since first acquiring the Cerro Blanco project in 2017. The Lundin Family has been instrumental in the initial project acquisition and advancement of Bluestone, providing strong support for the Company and myself personally during this period. We look forward to expanding our relationship with the Lundin Group and leveraging the depth of technical and development expertise in particularly, as we further advance Cerro Blanco."

Jack Lundin commented, "I am very excited and honoured to have this opportunity to build on the strong foundation that the Bluestone team in Vancouver and Guatemala have established over the past several years. The goal remains the same which is to swiftly advance the world class Cerro Blanco gold project and to continue to create value for all stakeholders. We are already off to an excellent start and I look forward to working with Darren and the team."

Jack Lundin

Jack Lundin's experience in mine project development, having just come off the successful execution of Lundin Gold's Fruta del Norte (FDN) Gold Mine in Southern Ecuador where he served as the Project Superintendent, aligns well into the strategy for Bluestone Resources. He brings with him a recognized legacy and years of natural resource technical and economic expertise. Following many summers in the

field, holding international prospecting and field technician roles with the Lundin Group, Jack also has experience working as an analyst in the commercial department for Lundin Norway AS., a subsidiary of Lundin Petroleum AB. Jack holds a Bachelor of Science degree in Business Administration from Chapman University and a Master of Engineering degree in Mineral Resource Engineering from the University of Arizona. Jack also sits on the board of directors of Josemaria Resources Inc. (TSX:JOSE) and Denison Mines Corp. (TSX: DML)

Paul McRae will be resigning from, and Jack Lundin will be appointed to, the Bluestone Board of Directors.

Bluestone Executive Chairman John Robins commented, "On behalf of the Bluestone Board, we wish to thank Paul for his contributions over the past two years and we wish him well with his future endeavours."

In addition, John Robins commented, "The Bluestone Board welcomes Jack and we look forward to working with him at this very exciting time for the Company. Since acquiring Cerro Blanco in 2017 I am proud of the progress our team has made on the project. Cerro Blanco stands out as one of the highest grade undeveloped gold deposits in the world. With strong technical and financial support from the Lundin Group I am excited about our future. The Credit Facility is a strong endorsement for the project and demonstrates our progress towards completing a project financing package."

About Natixis

Natixis is a French multinational financial services firm specialized in asset & wealth management, corporate & investment banking, insurance and payments. A subsidiary of Groupe BPCE, the second-largest banking group in France through its two retail banking networks, Banque Populaire and Caisse d'Epargne, Natixis counts nearly 16,000 employees across 38 countries. Its clients include corporations, financial institutions, sovereign and supranational organizations, and the customers of Groupe BPCE's networks.

Credit Facility

Natixis will lend up to US\$30 million to Bluestone (the "Commitment"). Bluestone may, by notice to Natixis, request an increase in the Commitment, which Natixis may in its sole discretion accept or deny. Loans under the Credit Agreement (the "Loans") will be made available through multiple borrowings.

The annual interest rate on the Credit Facility will be set based on US LIBOR plus a margin equal to 0.45%. At current US LIBOR rates the annual interest rate would be approximately 2.3% per annum. The default interest rate is equal to 2.0% per annum.

A commitment fee equal to 0.20% per annum on the unused portion of the Commitment will be payable quarterly in arrears during the availability period.

The Loans can be repaid at any time in whole or in part subject to a minimum notice period without penalty. The maturity date for the Loans is the earlier of (i) the one year anniversary of the Credit Facility and (ii) the occurrence of certain events, including funding pursuant to the potential Senior Debt Project Financing.

The Loans will be supported by a guarantee from Nemesia S.à.r.l. ("Nemesia"). The guarantee is secured by a cash collateral held with Natixis as account bank, equal to at least the principal and anticipated interest and fees through maturity of the Loan. In consideration for the guarantee from Nemesia, the Company has issued to Nemesia 85,000 Common Shares (the "Initial Shares").

Bluestone has entered into a debenture with Nemesia which will provide a repayment mechanism in the event of default with Natixis. The debenture will allow for the automatic draw down of funds in an amount up to US\$14 million if the Company defaults on the Loan and Natixis realizes on the cash collateral provided by Nemesia. The debenture may be increased up to US\$32 million (an amount equivalent to the Commitment plus potential interest) at the request of Nemesia but subject to approval of shareholders of Bluestone in accordance with Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* ("MI 61-101"). If the debenture is increased to US\$32 million, an additional 100,000 Common Shares (the "Secondary Shares") will be issued to Nemesia. An additional 3,500

Common Shares (the "Additional Common Shares") will be issued to Nemesia for each US\$500,000 drawn down per month until repayment under terms of a debenture issued by the Company to Nemesia. The issuance of the Common Shares to Nemesia is subject to the final approval of the TSX Venture Exchange. All Common Shares issued to Nemesia will be subject to a four-month hold period under applicable securities law

As Nemesia and its affiliates have beneficial ownership of, or control or direction over, directly or indirectly, more than 10% of the Common Shares, the transactions between the Company and Nemesia described above, including the issuance of the Common Shares, each constitute a "related party transaction" as defined under MI 61-101. The transactions will be exempt from the formal valuation requirements of MI 61-101 pursuant to section 5.5(b), as the Company's shares are not listed on a specified market, and from the minority shareholder approval requirements of MI 61-101 pursuant to section 5.7(1)(a), as neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the transactions involving related parties, will in the aggregate exceed 25% of the Company's market capitalization. The board of directors of the Company has approved the Credit Facility, the related party transactions with Nemesia, and all other ancillary matters. A material change report will be filed less than 21 days before the closing date of the transactions. The Company considers this is reasonable and necessary in order to address the Company's immediate funding requirements.

Nemesia is an affiliate of Zebra Holdings and Investment S.à.r.l. and Lorito Holdings S.à.r.l. (collectively with Nemesia, the "Lundin Entities"), both of which are companies controlled by a trust settled by the late Adolf H. Lundin. Prior to the issuance of the Initial Shares, the Lundin Entities collectively held and controlled 27,478,221 Common Shares, representing approximately 33.55% of the issued and outstanding Common Shares. Upon the issuance of the Initial Shares, the Lundin Entities collectively hold and control 27,563,221 Common Shares, representing approximately 33.65% of the issued and outstanding Common Shares. In the event that the Secondary Shares and the maximum number of Additional Common Shares are issued, the Lundin Entities will collectively hold and control 30,799,221 Common Shares, representing approximately 37.6% of the issued and outstanding Common Shares.

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 the Board of Directors of Bluestone Resources Inc.

"John Robins"

John Robins | Executive Chairman

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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: statements regarding the use of proceeds for the Credit Facility, the potential Senior Debt Financing, the replacement of the Credit Facility with the Senior Debt Financing, the Company’s ability to continue advancing financing initiatives and initiate development activities; the Company’s financing strategy for the Cerro Blanco Project, the future financial estimates of the Cerro Blanco Project economics, including estimates of sustaining capital costs, and proposed production timelines and rates, 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 Annual Information Form dated March 26, 2019.

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 news 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.

AISC reconciliation

AISC is calculated based on the definition 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.