

Drilling Intercepts 7.2 meters grading 26.0 g/t Gold and 27 g/t Silver, including 1.2 meters grading 87.2 g/t Gold and 82 g/t Silver at Cerro Blanco

December 16, 2020 – VANCOUVER, BRITISH COLUMBIA – Bluestone Resources Inc. (TSXV:BSR | OTCQB:BBSRF) ("Bluestone" or the "Company") is pleased to report more high-grade drill assays received from its ongoing drill program in the South Zone of the Cerro Blanco gold project.

Results from five underground holes and one surface hole are reported in this press release. Highlights include the following uncapped intercepts representing true widths of the veins:

- 6.1 meters grading 25.2 g/t Au and 82 g/t Ag (CB20-433)
- 7.2 meters grading 26 g/t Au and 27 g/t Ag including 1.2 meters grading 87.2 g/t Au and 80 g/t Ag (UGCB20-188)
- 2.0 meters grading 45.9 g/t Au and 75 g/t Ag (UGCB20-185)
- 2.2 meters grading 45.5 g/t Au and 197 g/t Ag (UGCB20-187)

David Cass, Vice President of Exploration, commented, "These latest results continue to confirm both the bonanza grades distributed throughout the vertical profile of the deposit and a series of new, steeply dipping veins that have potential to add additional ounces. Of note are the 2.0 meters grading 45.9 g/t Au and 2.2 meters grading 45.5 g/t Au drilled in the main feeder vein VS_01. These intercepts, 27 meters apart, are some 125 meters up profile from an intercept of 7.2 meters grading 26 g/t Au drilled in the same vein in UGCB20-188 lower in the deposit, effectively expanding this zone of very high-grade mineralization."

Plans and sections including drill hole locations and core photos can be accessed by clicking [HERE](#).

Drill Intercepts (this Press Release)

HOLE ID	FROM (m)	TO (m)	CORE INTERVAL (m)	TRUE WIDTH (m)	Au g/t	Ag g/t	Vein ID	
CB20-433	86.29	87.78	1.49	1.49	3.8	6.9	N	
	139.20	140.32	1.12	1.12	7.3	15.8	N	
	208	210.1	2.1	2	5.3	10	VS_17	
	230.39	236.6	6.21	6.14	25.2	82.2	VS_10, VS_15	
	243.11	248.26	5.15	5.12	6.0	4.9	VS_08, VS_09	
	288.73	291.01	2.28	2.19	4.2	57.7	VS_01	
UGCB20-183	19.86	20.86	1.00	1	8.2	39.2	N	
	24.38	26.91	2.53	1.6	4.2	25.5	N	
	147.08	148.08	1.00	1	8.5	16.2	N	
UGCB20-184	94.42	95.92	1.50	1.5	3.9	6.0	N	
UGCB20-185	9.55	11.96	2.41	1.82	15.0	19.9	N	
	131.98	132.98	1.00	1	15.4	170	VS_21 Ext	
	155.91	158.15	2.24	2.01	45.9	75.1	VS_01	
UGCB20-187	12.05	14.10	2.05	1.71	3.5	21.6	No ID	
	17.37	18.59	1.22	1.02	9.9	49.5	N	
	135.97	138.32	2.35	2.22	45.5	196.6	VS_01	
UGCB20-188	8.28	13.28	5.00	1.24	72.2	89.5	N	
	<i>inc.</i>	9.28	11.13	1.85	0.45	131.6	124	N
		29.57	30.6	1.03	1	9.6	65.6	N
		39.23	40.51	1.28	0.82	19.9	109*	N
		60.35	61.87	1.52	0.8	6.6	17.1	N
		86.61	87.78	1.17	0.8	4.7	3.6	N
		140.60	141.94	1.34	0.7	10.7	13.4	N
		177.70	181.46	3.76	3.21	46.1	48.8	VS_21
		177.7	186.74	9.04	7.21	26.0	26.8	VS_01, VS_21
	<i>inc.</i>	178.79	180.18	1.39	1.24	87.2	79.7	VS_21
		193.00	195.30	2.30	1.71	5.2	70.1	Splay

N - New or un-modelled vein. Intervals in bold are cited in the text of the news release. Grades are un-cut. A table with hole coordinates and azimuth/ dip information accompany the plan view attached to this release. * Preliminary, final assay pending

The focus of the drill program is to improve the definition of key veins in parallel to expanding the high-grade mineralization for known veins outside of the current resource envelope. The work is expected to build on the infill drill program completed in the North Zone of the deposit in 2019 which resulted in an updated Mineral Resource estimate of 1.41 million ounces of gold averaging 10.3 g/t in Measured and Indicated categories (see Technical Report dated [January 29, 2019](#) and updated in the press release dated [November 6, 2019](#)).

Precious metal mineralization at Cerro Blanco is associated with classic low sulphidation quartz-adularia epithermal 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, electrum, and silver sulphides in ginguro-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 Labs in Managua, Nicaragua for sample preparation. Sample pulps are then shipped to Inspectorate Laboratories in 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.Geo., 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 scientific and technical information set out above in this news release is accurate and therefore approves this written disclosure of the technical information.

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 (see press release [January 29, 2019](#)) 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.

"Jack Lundin"

Jack Lundin | Chief Executive Officer & Director

For further information, please contact:

Bluestone Resources Inc.

Stephen Williams | VP Corporate Development & Investor Relations

Phone: +1 604 757-5559

info@bluestonerresources.ca

www.bluestonerresources.ca

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: to the market for Bluestone’s common shares, preferred shares, debt securities, subscription receipts, units, warrants and share purchase contracts; 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 Bluestone’s current beliefs as well as various assumptions made by Bluestone and information currently available to Bluestone. Generally, these assumptions include, among others: 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; currency exchange rates; 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 operations; the availability of acceptable financing; the impact of the novel coronavirus (COVID-19); anticipated mining losses and dilution; success in realizing proposed operations; and 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 Bluestone 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 the ability to obtain, amend, 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 related to global epidemics or pandemics and other health crises, including the impact of the novel coronavirus (COVID-19); risks and uncertainties related to interruptions in production; the possibility that future exploration, development, or mining results will not be consistent with Bluestone’s expectations; uncertain political and economic environments and relationships with local communities and governmental authorities; 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; and risks related to fluctuations in currency exchange rates. For a further discussion of risks relevant to Bluestone, see “*Risk Factors*” in the Company’s annual information form for the year ended December 31, 2019, available on the Company’s SEDAR profile at www.sedar.com.

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 and 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.