

Bluestone Announces Additional Drill Results including 127 meters grading 3.5 g/t Gold and 21.6 meters grading 12.9 g/t Gold, and Grants Stock Options

March 18, 2021 – VANCOUVER, BRITISH COLUMBIA – Bluestone Resources Inc. (TSXV:BSR | OTCQB:BBSRF) ("Bluestone" or the "Company") is pleased to report additional drill assays from its infill drill program completed in the South Zone of the Cerro Blanco gold project in late 2020. Results from four underground holes and three surface holes are reported in this press release, totalling 1,475 meters.

Highlights include the following drilled intercepts:

- 127.0 meters grading 3.5 g/t Au and 16 g/t Ag including 21.61 meters grading 12.9 g/t Au and 66.2 g/t Ag (CB20-451)
- 116.1 meters grading 2.4 g/t Au and 13.1 g/t Ag including 9.9 meters grading 16.9 g/t Au and 91.3 g/t Ag (CB20-449)
- 109.9 meters grading 1.3 g/t Au and 10.2 g/ Ag (UGCB20-196)
- 71.5 meters grading 1.9 g/t Au and 5.1 g/t Ag (CB20-447)
- 59.8 meters grading 1.3 g/t Au and 10.2 g/t Ag (UGCB20-192)

Jack Lundin, CEO, commented, "These outstanding near surface intervals of thick lower grade mineralization that exemplify the upper Salinas cap rocks are representative of what we would have been leaving behind if we had continued with the underground mining scenario. The recent optimization in development strategy highlights Cerro Blanco as a low-strip surface mining operation capable of producing over 300,000 ounces of gold per year at first decile AISC."

All holes reported show significant widths of low-grade mineralization within the Salinas unit, a sub-horizontal sequence of volcanogenic sediments, rhyolite breccias, and sinter horizons that represent a silica cap forming the Cerro Blanco hill. These rocks overlie the Mita rocks, a sequence of sediments and tuffs which host the high-grade vein swarms that also show appreciable widths of lower grade mineralization as envelopes in surrounding wall rocks.

Lower grade mineralization, typically 0.4 - 3.5 g/t Au, accounts for approximately 50% of the gold inventory at Cerro Blanco and was discounted in the previous underground mining scenario due to the application of a higher cut-off grade. The new assessment of Cerro Blanco as a surface operation can now fully incorporate this significant near surface mineralization and fully maximize the potential of the deposit.

In 2020, 15,171 meters of infill drilling was successfully completed in the South Zone of the Cerro Blanco resource with the goal to improve the definition of key veins in parallel to expanding the mineralization of known veins outside of the current resource envelope. Results for eight holes are still pending and will be reported when received.

Drill hole locations, sections, and core photos can be accessed by clicking [HERE](#).

Table of Drill Intercepts and Assays

HOLE ID	FROM (m)	TO (m)	CORE INTERVAL (m)	VEIN TRUE WIDTH (m)	Au g/t	Ag g/t	Host / Vein ID
UGCB20-192	25.9	85.6	59.8	-	1.3	10.2	Salinas 0 - 62m
	176.5	177.5	1.0	1.0	7.4	6.1	No Id
	232.5	249.0	16.5	14.0	6.6	36.7	VS_01, VS_21
UGCB20-194	21.9	134.1	112.1	-	0.9	3.9	Salinas 0 - 68m
<i>inc.</i>	88.7	89.7	1.0	-	11.8	21.2	
UGCB20-195	13.1	71.6	58.5	-	0.7	3.5	Salinas 0 - 76m
UGCB20-196	13.3	123.3	109.9	-	1.3	10.2	Salinas 0 - 75m
<i>inc.</i>	97.4	98.4	1.0	1.0	37.9	340.0	No Id
	123.3	125.8	2.5	2.5	178.5	267.2	No Id
	176.8	217.3	40.5	-	0.5	4.2	Mita
	265.3	268.9	3.6	3.0	4.0	3.3	VS_01
CB20-447	57.5	128.9	71.5	-	1.9	5.1	Salinas
<i>inc</i>	79.1	81.4	2.3	2.1	38.0	68.0	No Id
<i>inc</i>	91.6	92.8	1.1	1.0	10.9	60.2	VS_07
CB20-449	42.1	158.2	116.1	-	2.4	13.1	Salinas
<i>inc</i>	75.7	78.9	3.2	3.1	7.6	19.2	VS_11
<i>inc</i>	118.5	128.4	9.9	9.7	16.9	91.3	VS_05, VS_06
<i>Inc.</i>	124.8	125.8	1.0	1.0	101.7	363.0	VS_05
CB20-451	49.1	176.1	127.03	-	3.5	16.0	Salinas
<i>inc</i>	49.1	63.3	14.24	-	1.3	3.5	Salinas
<i>inc</i>	63.3	68.0	4.66	3.9	18.7	41.1	VS_15
<i>inc</i>	68.0	106.4	38.39	-	0.5	3.7	Salinas
<i>inc</i>	106.4	128.0	21.61	19.5	12.9	66.2	VS_05, VS_06, VS_07
<i>inc</i>	107.4	108.4	1.00	1.0	178.9*	1,445*	VS_07
<i>inc</i>	128.0	176.1	48.13	-	0.9	4.1	Mita
	185.7	186.7	1.00	1.0	4.2	3.3	No Id

Intervals in bold are cited in the text of the news release. *Uncapped grade. A top-cut of 110 g/t Au and 500 g/t Ag was applied for the weighted average grade calculation in CB20-451 - uncapped intervals are 127m @ 4.07 g/t Au and 23.4 g/t Ag and 21.61m @ 16.2 g/t Au and 110 g/t Ag. A table with hole coordinates and azimuth/dip information accompany the drillhole location plan attached to this release, along with drill sections and core photos.

Drill Hole Summaries

CB20-447, CB20-449, and CB20-451 were drilled from the same surface platform designed to test for extensions to veins VS_05, VS_06 and VS_07 emplaced in the upper levels of the South Zone above the current underground mine infrastructure and immediately below the contact with the Salinas cap rocks. Holes CB20-449 and CB20-451 successfully drilled 9.9 meters grading 16.9 g/t Au and 91.3 g/t Ag, and 21.6 meters grading 12.9 g/t Au and 70.8 g/t Ag, respectively, representing vein VS_06 and VS_07.

All three holes drilled wide intervals of low-grade mineralization (>0.4 g/t Au) from around 50 meters depth representing disseminated and veinlet hosted mineralization within silicified conglomerates and volcanic breccias in the Salinas cap rocks and underlying Mita sandstones, augmented by high grade veins, e.g., 127.0 meters grading 3.53 g/t Au and 6.8 g/t Ag in CB20-451 (top-cut applied), and 116.1 meters grading 2.45 g/t Au and 13.1 g/t Ag in UGCB20-149.

UGCB20-192, UGCB20-194, UGCB20-195, and UGCB20-196 were drilled from the same platform in the South Ramp underground workings to test the principal footwall vein VS_01. Holes UGCB20-192 and

UGCB20-196 were drilled to probe for deeper extensions to the high-grade plunge as demonstrated recently, e.g., UGCB20-181, UGCB20-188, CB20-442. UGCB20-192 drilled an intercept of 16.5 meters grading 6.63 g/t Au and 36.7 g/t Ag pertaining to VS_01 and splay VS_21, extending the high-grade plunge by approximately 20 meters. UGCB20-196 targeted the vein some 50 meters down plunge, intersecting the vein at the 200-meter Level returning 3.62 meters grading 4.0 g/t Au. The lower grades compared to UGCB20-192 are attributable to greater proportion of calcite compared to quartz.

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 Hermosillo, Mexico, 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.

Grant of Stock Options

Bluestone announces that pursuant to the Company’s stock option plan, Bluestone has granted stock options exercisable into 2,715,000 common shares in the Company, to executives, directors, employees, and consultants. The stock options are exercisable at C\$1.70 per share with a five-year term, and will vest one-third upon grant, and one-third on each of the following two anniversary dates of the grant, being fully vested after two years.

About Bluestone Resources

The Cerro Blanco Gold Project is an advanced stage near surface development project. A PEA on the project highlighted an asset capable of producing over 300 koz/yr with an average annual production of 231 koz/yr at all-in sustaining costs of ~\$642/oz (as defined per World Gold Council guidelines, less corporate general and administration costs) over an initial 11-year mine life. 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

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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 estimated value of the Cerro Blanco Project (the “Project”); the planned open pit development scenario for the Project; the estimated gold production volume per year from the Project; gold and silver price estimates used in the preliminary economic assessment (“PEA”); additional financial estimates of Project economics resulting from the PEA, including peak and average annual gold productions amounts, average all-in sustaining costs, average annual free cash flow, after-tax net present value (“NPV”), after-tax internal rate of return, initial capital requirements, life of mine gold and silver production amounts, measured and indicated resources and NPV assuming a higher gold price estimate; the Company’s plan to advance an EIA application in parallel to completing a bankable Feasibility Study by the end of 2021; the Company’s target to initiate Project development in the second half of 2022; anticipated receipt of an EIA permit in the second half of 2022; mineral resource estimates; the estimated tonne-per-day recovery volume of the planned open pit operation; the planned conventional process plant and associated processing methods; the Company’s goal to prepare a coordinated Environmental and Social Impact Assessment document that aligns with the IFC Performance Standards, Equator Principles as well as national requirements; engagement with local communities and stakeholders to remain on-going through the process; the Company’s plan to advance the development of the EIA document in 2021 for submittal prior to the end of the year; the reasonable prospect of eventual economic extraction demonstrated by reported mineral resources; gold and silver price estimates and a reasonable contingency factor used as the basis for mineral resource estimate cut-off grades; reasonable expectation that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration; results of mineral resource estimate sensitivity analysis; uncertainty that the PEA will be realized; the potential for subsequent assessment of mining, environmental, processing, permitting, taxation, socio-economic and other factors to affect mineral resources; estimated diluted mill feed to be processed over the life of mine from the main pit area; planned trucking of mill feed to a primary crusher located to the east of the main pit; amount of waste to be stored in a dump adjacent to the main pit; estimated open-pit mining dilution; measured and indicated mill feed amounts; estimated process plant capacity in tonnes per day of ore; planned processing rate measured in dry tonnes per year and average feed grade thereof; details of planned processing, including pre-oxidation, 48-hour leach and carbon-in-pulp absorption circuit elements and expected gold and silver recovery percentage to produce a dore; estimated initial capital required to fund construction and commissioning; beneficial existence of a significant amount of development already in place, a water treatment plant, maintenance and warehouse facilities, offices and communications; capital and operating cost estimates; estimated all-in cash costs including sustaining capex; planned installation of a new power transmission line as part of the construction of the Project; the Project’s expected economic benefits to Guatemala. 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: potential changes to the mining method and the current development strategy; 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.