

# Bluestone

RESOURCES INC.

**Cerro Blanco 2.0 – Q3 2021**  
**Good to Great**

***Vision – A leading natural resource company driving stakeholder value through responsible, sustainable, and innovative development***

# Forward Looking Statements & Risk Factors

TSXV:BSR OTCQB:BBSRF | 2

This presentation 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; the Company’s target to initiate Project development; anticipated receipt of an EIA permit; 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; 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 crushed 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, 2020, available on the Company’s SEDAR profile at [www.sedar.com](http://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.

Cerro Blanco is a **unique asset** with a meaningful resource base and production profile to build a **leading mid-tier gold producer**



**3.1 Moz gold**

**1.6 g/t** - one of the **highest grade** undeveloped open pits



**+300 koz/yr**

Asset capable of producing **+300 koz gold/yr** with an average LOM production of 231 koz/yr



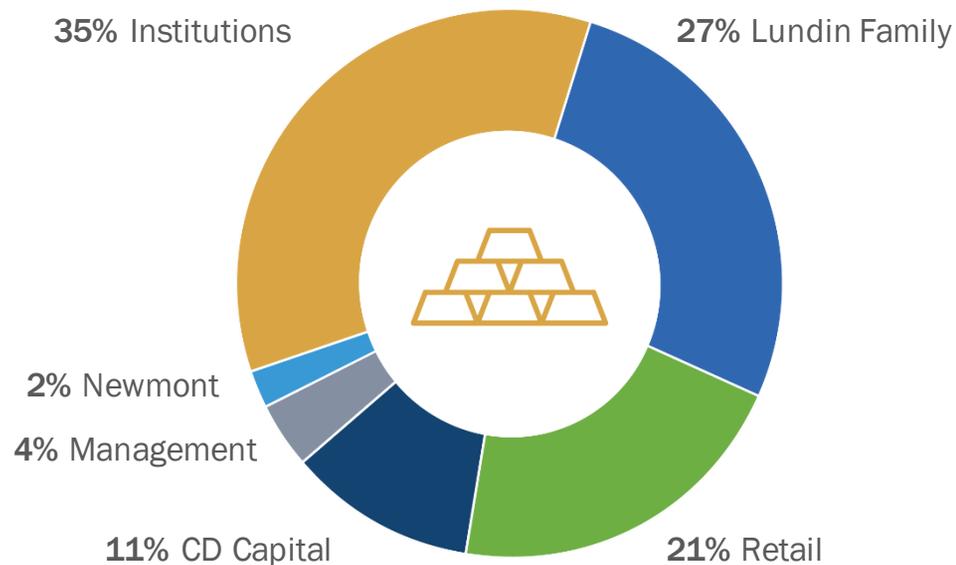
**First Quartile AISC**

**Robust free cash flow** at an AISC of \$642/oz gold

## Management is aligned with shareholders interests

- Bluestone is part of the **LUNDIN** GROUP, a portfolio of publicly traded, top tier natural resource companies producing a variety of commodities in over 20 countries
- Collectively, the companies have raised billions of dollars in capital to build quality natural resource projects

## Major Shareholders



## Capital Structure

Listing	TSXV: <b>BSR</b>   OTCQB: <b>BBSRF</b>
Share Price	<b>C\$1.50</b>
Shares Outstanding	<b>150,141,816</b>
Options <sup>1</sup>	<b>7,733,000</b>
Cash <sup>2</sup>	<b>~US\$35 M</b>
Market Cap.	<b>~C\$225 M</b>

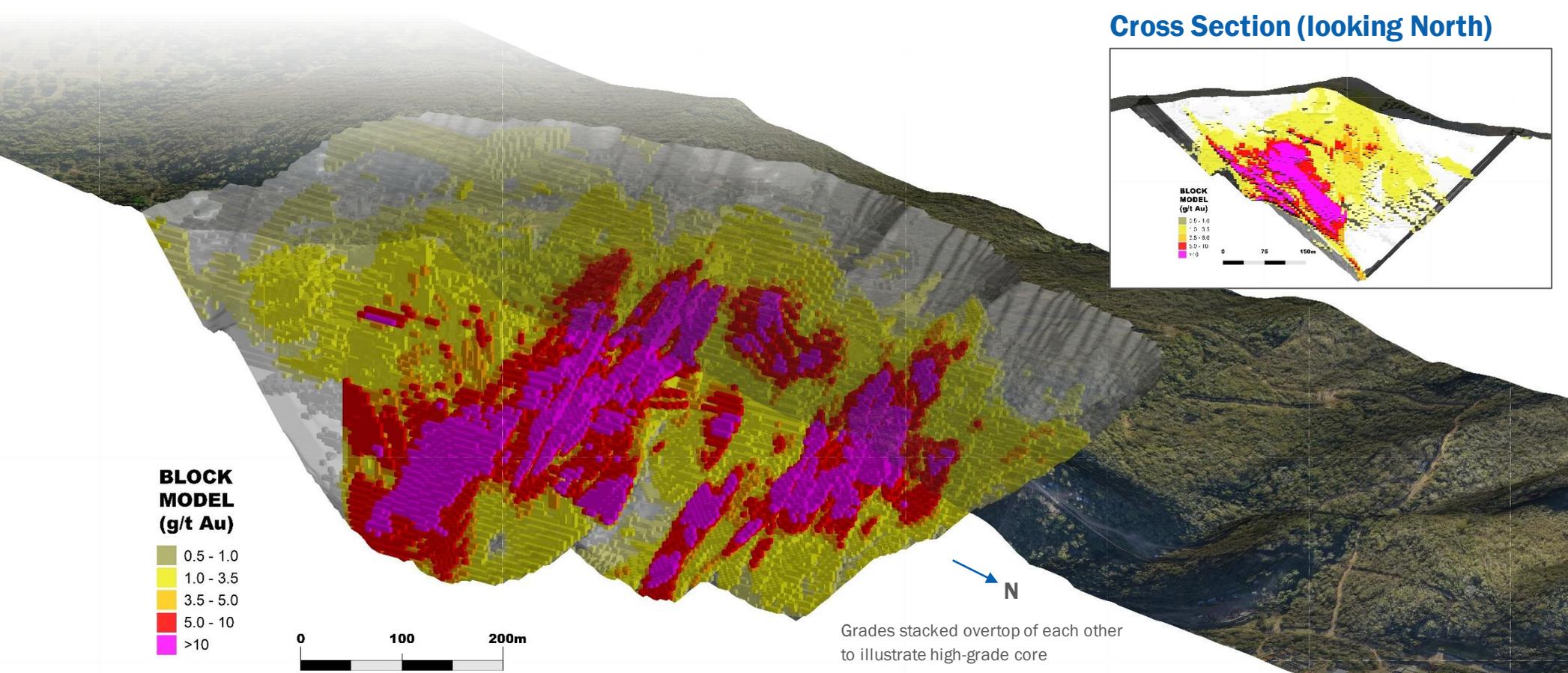
1. Options @ C\$1.25, C\$1.50, C\$1.70 and C\$1.90 (weighted avg. C\$1.62)

2. Estimated as of August 2021

# Cerro Blanco 2.0 – Good to Great

## M&I resources of 3.1 Moz gold, with a high grade vein component of 1.4 Moz at 10.3 g/t Au

- Cone-shaped geometry of the deposit results in a very low strip ratio (2.4:1)
- Typical low grade mineralized envelope ranges from 0.3 g/t to 1.5 g/t Au
- 48% of the resource (M&I) sits above the current underground infrastructure



# Cerro Blanco PEA Summary

TSXV:BSR OTCQB:BBSRF | 6

Revenue

**\$4.0B**

Cumulative Free Cash Flow

**\$2.0B**

Contribution to Economy

**\$1.8B**

Initial Capex

**\$548M**

Project NPV<sub>5%</sub>

**\$907M**

Payback

**2.6 years**

All numbers in US dollars unless otherwise stated

Head Grade – (peak years)

**2.2 g/t Au**

IRR

**28.5%**

Peak Production

**334 koz/yr**

# Robust High Margin Economics

LOM Avg. Annual Au Production

**231 koz/yr**

Avg. Annual Free Cash Flow<sup>1</sup>

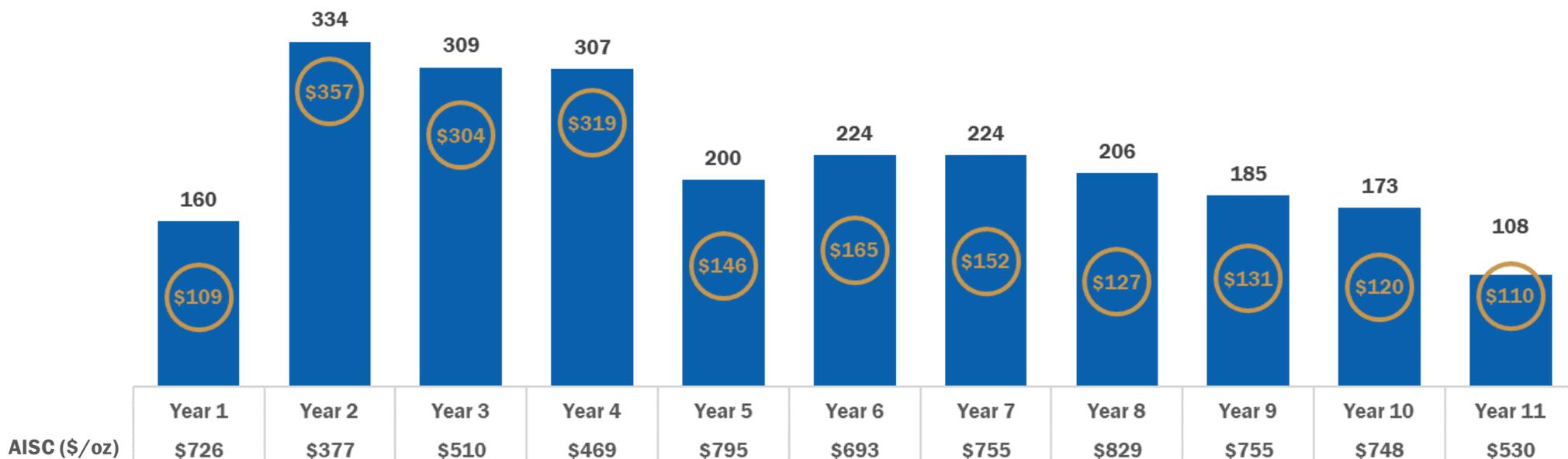
**\$272 M/yr**

LOM Avg. AISC (net credits)

**\$642/oz**

## Production Profile & Free Cash Flow

■ Free Cash Flow<sup>2</sup> (\$USM)  
■ Annual Gold Production (koz)



1. Based on the first four years of production

2. Unlevered basis at \$1,550/oz Au

All numbers in US dollars unless otherwise stated

## Updated resource estimate incorporated results from the infill drill program

- Approximately 5,500 meters drilled this year

## Mine plan and throughput trade off analysis undertaken

- Opportunity to reduce throughput while maintaining a similar production profile and NPV

## Additional metallurgical testwork underway looking at grind size and variability

- A coarser grind improves the operability of the filter plant and reduces size and capital costs

## Water management work ongoing, much simpler approach that is more manageable

- Almost 50% of the deposit is currently dewatered

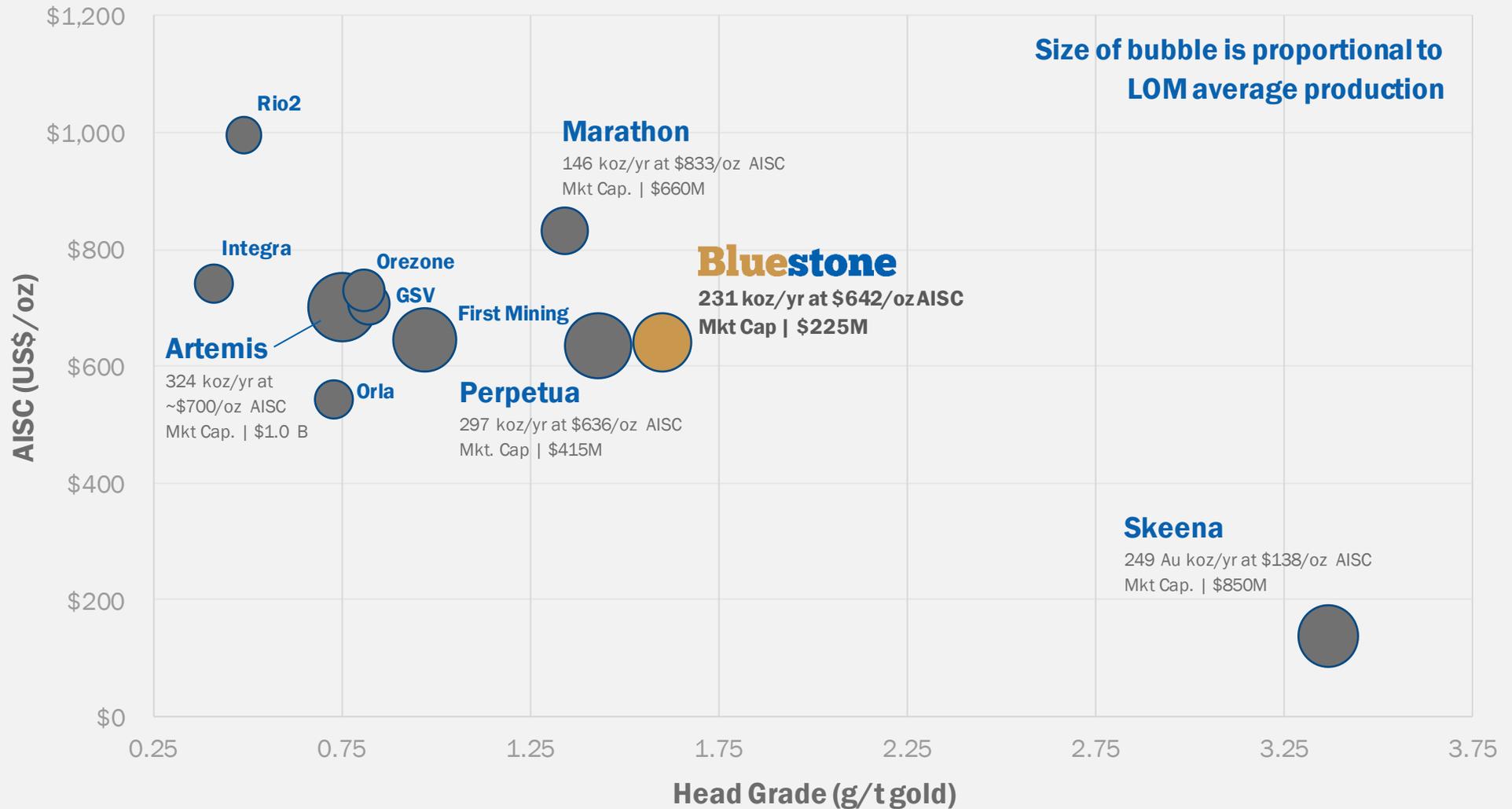


## Permit application advancing on track with initial social and environmental baseline data complete

- Environmental license submittal targeted for Q4 2021
- Over a dozen amendments received on the project since 2007, demonstrating the ability to work within the national permitting regulations

# Competitively Positioned Among Peers

One of the highest grade open pit development projects capable of producing over 300 koz gold/yr at first quartile AISC's



Data sourced from publicly available company data. Artemis AISC includes expansion capital, Skeena AISC net credits on an Au basis which includes a large silver component

# Near-Term Catalysts to Unlock Value



## Analyst Coverage

Canaccord Genuity	<b>C\$5.00</b>
Cormark Securities	<b>C\$4.50</b>
Haywood Capital Markets	<b>C\$4.25</b>
PI Financial	<b>C\$4.25</b>
National Bank	<b>C\$3.50</b>

- Average analyst target price of **C\$4.30**

# Our Commitment to Local Communities

## Responsible Development – Bluestone believes in creating shared value and prioritizes sustainable development to benefit local communities

- Focused on building sustainable capacity and economic diversification through local training/employment and local procurement
  - Partnered with the Lundin Foundation to support these initiatives



## Bluestone is committed to international social and environmental sustainability standards



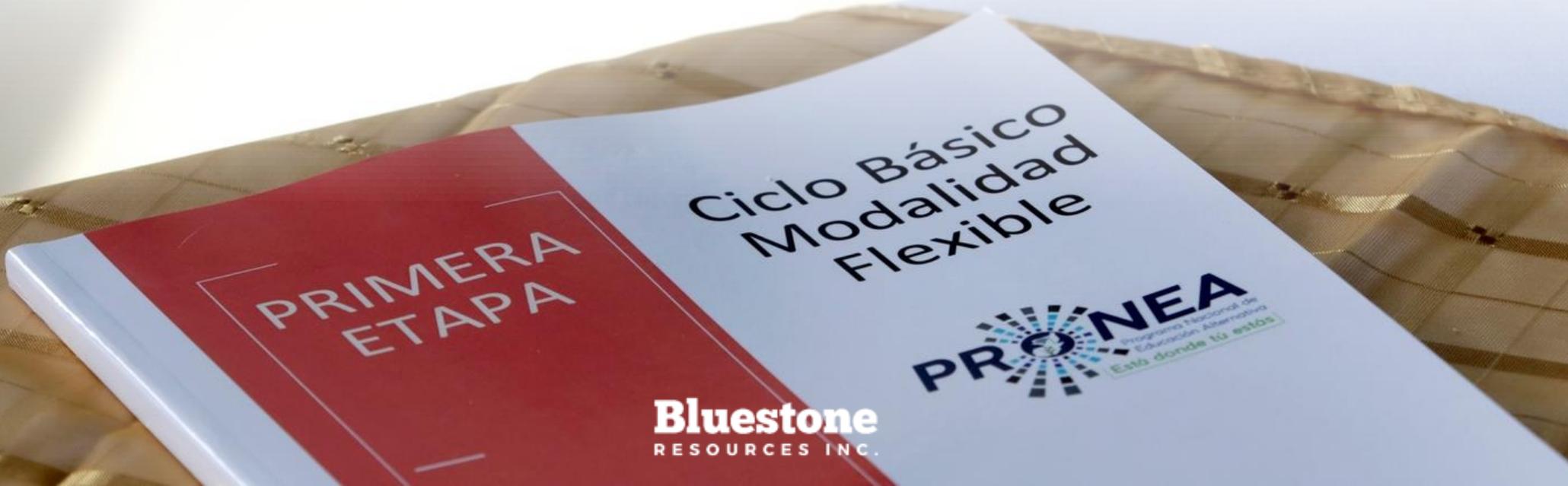
# Our Commitment to Local Communities

## Adult education programs underway, aimed at literacy and education levels to meet entry requirements for vocational training programs

- Very high enrollment rates within the communities around the project
- First graduating class in Q4 2021

## Partnership with a nationally accredited Guatemalan vocational school to deliver technical and skills based training courses for construction and operation

- First class underway, courses range from 12 to 18 months



## Economic geothermal resource located east of the Cerro Blanco Gold project

- Reviewing technical information to evaluate current geothermal reserve in preparation for a power call
- 50-year license to build and operate a 50 MW geothermal plant granted
- Staged approach - Phase 1 smaller operation that could supplement power requirements to the mine or be sold into the privatized national grid
- Further studies underway



# APPENDIX

**Contact:**

**Stephen Williams, P.Eng., MBA**

**VP Corporate Development & Investor Relations**

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**Phone: +1 (604) 757-5559**

# Project Location



- **~160 km** by road southeast of Guatemala City (2.5 hour drive)
- Nearest town is Asuncion Mita with a population of ~20,000
- Connected by the **Pan American Highway** (mine site is 6 km from the highway)

## Presidential elections completed in 2019 (4 yr term)

- Alejandro Giammattei new President with the VAMOS party (right of center)
- Priority on Foreign Investment and maintaining strong economy – Mining, Energy, Call Centers and Textiles all outlined as key pillars to the economic platform

## Guatemala is the largest economy in Central America (US\$77B 2020E)

## Harvard CID projects economic growth rates over the next decade of 4.0%

- United States – 2.7%, Brazil – 2.3%, Mexico – 3.5%

**Predominately agriculture based** – vegetables, fruit and sugar make up the main exports

**Competitive tax regime** – 7% gross revenue tax or 25% on operating profits, 1% royalty

**Stable currency**, FX rates have fluctuated between 7 – 8 Quetzals/USD over the last 10 yrs in comparison to peers such as:

- Mexican Peso (12 – 20/USD), Brazilian Real (1.5 – 5.0/USD), Chilean Peso (500 – 750/USD)

**BB- credit rating, government treasury bond yielding ~6.5%**



# Cerro Blanco 2.0 – Maximizing Value

## Cerro Blanco was historically contemplated as an underground development until 2021

- Goldcorp acquired Glamis in 2006 and permitted the project in 2007 with 72,000 m drilling
- Interpretation of the deposit has improved considerably since the acquisition with an additional +45,000 m of drilling by Bluestone



17' – Purchase



20' – Enhanced Team



18' – 21' Geology



21' – New Opportunity

21' – PEA Cerro Blanco 2.0

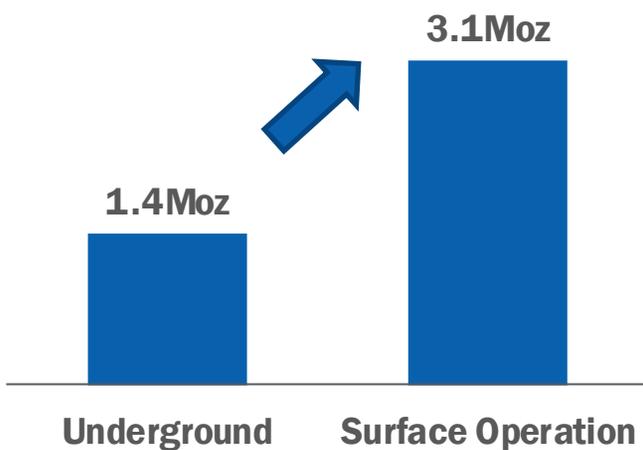
# Cerro Blanco 2.0 – Good to Great

The PEA outlines a superior high-grade surface operation capable of producing +300 koz Au/yr at first quartile AISC

Compared to the 2019 Underground FS (LOM)

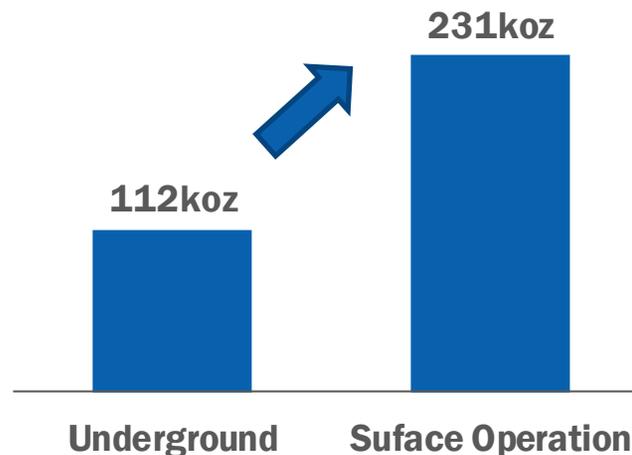
## Resources (M&I)

2x more



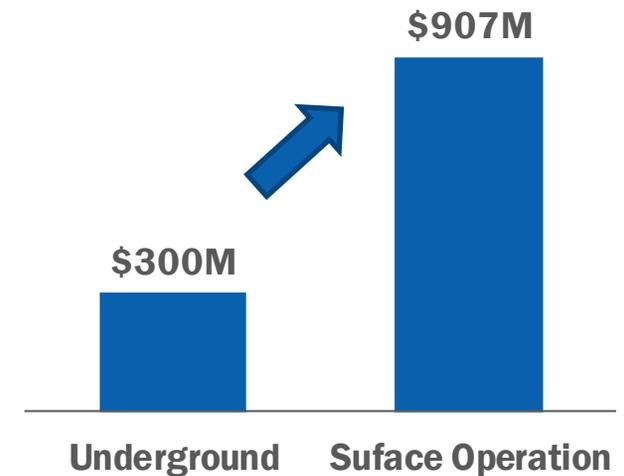
## Production (koz/yr)

2x more



## Project NPV<sub>5%</sub>

3x Higher



**Simple design with conventional processing leveraging off of the engineering work completed in the last two years will help fast track the Feasibility Study**

## Operating Summary

Initial Mine Life	11 years
Total Material Mined	175.7 Mt
Ore Processed	52.2 Mt
Strip Ratio	2.4 w:o
Mill Average Daily Production	15,000 tpd
Mill Average Annual Production	5.04 Mt
Average Mill Grade	1.6 g/t Au   7.3 g/t Ag
Gold Recovery	91%
Silver Recovery	85%
Gold Recovered	2.4 Moz
Silver Recovered	10.4 Moz
Peak Gold Production	334 koz/yr
Avg. Gold Production Years 1 - 4	277 koz/yr
LOM Avg. Gold Production	231 koz/yr
Avg. Silver Production Years 1 - 4	1.5 Moz/yr

## Operating and Capital Cost Summary

Mining Cost (\$/t mined)	\$2.95/t
Processing Cost (\$/t milled)	\$13.30/t
Site Services Cost (\$/t milled)	\$3.98/t
G&A Costs (\$/t milled)	\$2.28/t
Total Cost (\$/t milled)	\$28.78/t
LOM Avg. Cash Costs (net credits)	\$570/oz Au
LOM Avg. AISC (net credits)	\$642/oz Au
Initial Capex	US\$548M
Contingency	US\$76M
Sustaining Capex	US\$173M

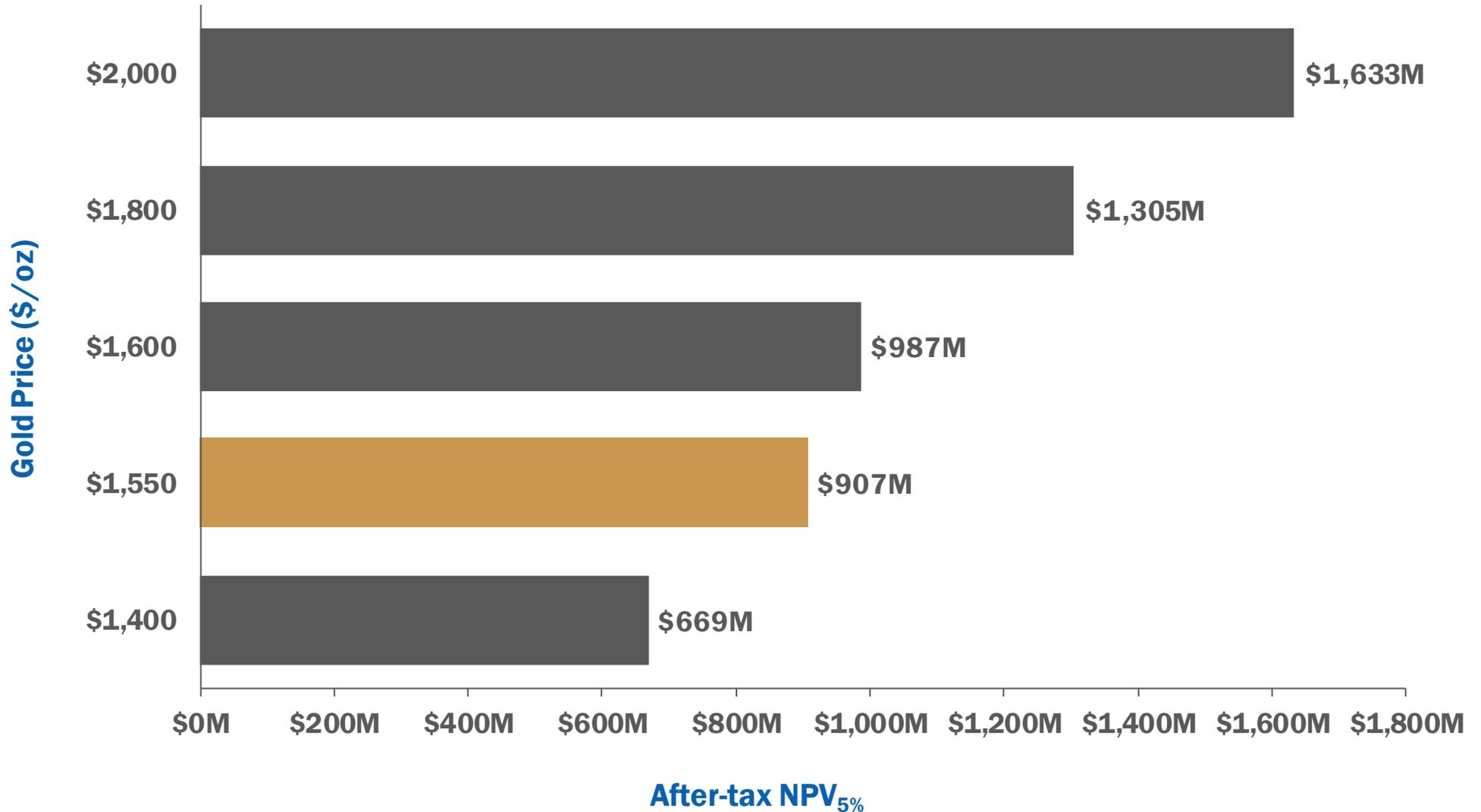
# PEA Capital Cost Estimate Breakdown

The capital cost estimate leveraged off of the basic engineering work completed in 2020

	Initial Capital (\$M)	Sustaining Capital (\$M)	LOM (\$M)
Infrastructure	\$18.2	-	\$18.2
Power & Electrical	\$37.9	-	\$37.9
Water Management	\$40.2	\$56.3	\$96.5
Surface Operations	\$31.9	\$19.8	\$51.7
Mining	\$48.7	\$61.8	\$110.5
Process Plant	\$153.8	-	\$153.8
Construction Indirects	\$70.0	-	\$70.0
Owner's Costs	\$46.6	-	\$46.6
Pre-Prod, Start-up, Commissioning	\$55.3	-	\$55.3
Contingency	\$76.5	-	\$76.5
Closure	-	\$35.0	\$35.0
Pre-Prod Revenue	\$31.3	-	\$31.3
<b>Total</b>	<b>\$547.8</b>	<b>\$172.9</b>	<b>\$720.7</b>

# Leverage to Gold Price

## PEA after-tax NPV<sub>5%</sub> at various different gold prices



## Cerro Blanco mineral resource statement, effective June 20, 2021:

0.4 g/t Au Cut-Off	Tonnes (000s t)	Grade		Resource	
		Gold (g/t)	Silver (g/t)	Gold (koz)	Silver (koz)
<b>Measured</b>	40,947	1.8	7.9	2,382	10,387
<b>Indicated</b>	22,595	1.0	4.2	706	3,058
<b>M&amp;I Total</b>	<b>63,542</b>	<b>1.5</b>	<b>6.6</b>	<b>3,089</b>	<b>13,445</b>
<b>Inferred</b>	1,672	0.6	2.1	31	112
<b>Below pit (Indicated)*</b>	189	5.7	13.4	35	82
<b>Stockpile (Measured)</b>	30	5.4	22.6	5	22

Notes on Resource Estimate:

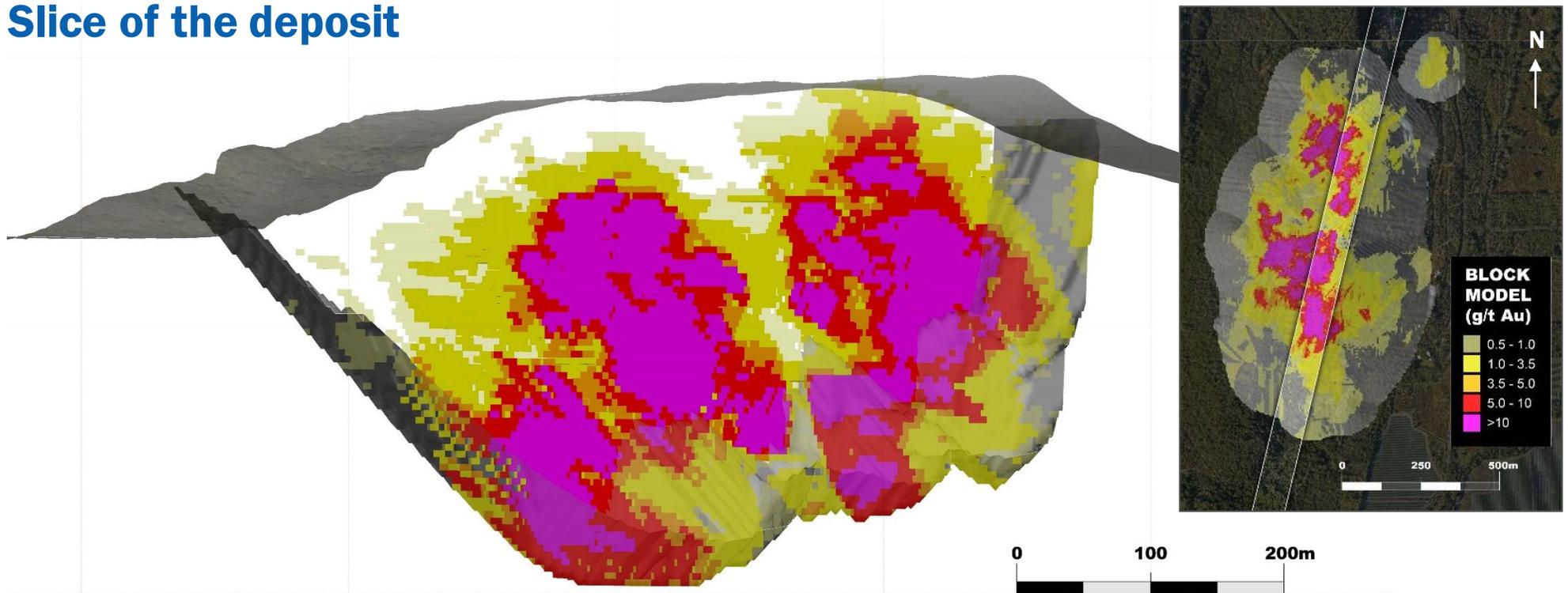
- (1) Prepared by Garth Kirkham (Kirkham Geosystems Ltd.) an Independent Qualified Person in accordance with NI 43-101.
- (2) Effective date: June 20, 2021. All mineral resources have been estimated in accordance with Canadian Institute of Mining and Metallurgy and Petroleum ("CIM") definitions, as required under NI 43-101.
- (3) Mineral Resources reported demonstrate reasonable prospect of eventual economic extraction, as required under NI 43-101. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability. The Mineral Resources may be materially affected by environmental, permitting, legal, marketing, and other relevant issues.
- (4) Cut-off grades are based on a price of US\$1,600/oz gold, US\$20/oz silver and a number of operating cost and recovery assumptions, including a reasonable contingency factor.
- (5) An Inferred Mineral Resource has a lower level of confidence than that applying to an Indicated Mineral Resource and must not be converted to a Mineral Reserve. It is reasonably expected that the majority of Inferred Mineral Resources could be upgraded to Indicated Mineral Resources with continued exploration.
- (6) \*Resources identified below the PEA pit shell that are amenable to underground mining (3.5 g/t cut off)

# High-Grade Vein Component

**Average grades mined in the first couple years average ~2.2 g/t Au supporting a production profile of +300 koz/yr**

- Longitudinal section through the deposit looking west
- Purple is +10 g/t Au

## Slice of the deposit



Grades stacked overtop of each other to illustrate high-grade component

## Executive Team



**Jack Lundin**

**President, CEO & Director**  
Lundin Gold, Lundin Mining,  
Lowell Institute for Mineral  
Resources



**Peter Hemstead**

**CFO**  
Capstone, Sherwood, PwC



**David Cass**

**VP Exploration**  
+25 years of experience,  
Anglo American



**Nadia Carotenuto**

**VP HR & Organizational Dev.**  
+20 years of experience,  
Placer Dome



**Stephen Williams**

**VP Corp. Dev. & IR**  
Canaccord Genuity, Freeport  
McMoRan

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Lucara Diamonds, De Beers

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Lucara, Kaminak, Stornoway

### **Jamie Beck, Director**

NGEx, Filo Mining, Lundin Mining

### **Dave Dicaire, Director**

Lundin Gold, Freeport-McMoRan, Xstrata

### **Leo Hathaway, Director**

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