

Bluestone Corporate Update

September 5, 2018 – VANCOUVER, BRITISH COLUMBIA – Bluestone Resources Inc. (TSXV:BSR | OTCQB:BBSRF) ("Bluestone" or the "Company" - http://www.commodity-tv.net/c/search_adv/?v=298564) is pleased to provide the following corporate update on the recent progress of the Company.

John Robins, Executive Chairman commented, "In just over 15 months since acquiring the Cerro Blanco Gold and Mita Geothermal projects, Bluestone has advanced from what was effectively a shell company to one that is rapidly advancing these high-quality projects. Bluestone has successfully assembled an executive team with extensive development and Latin American experience; the skills necessary to advance these projects to maximize value for our many stakeholder groups including local communities in Guatemala, government partners, and our supportive shareholders."

A Feasibility Study led by JDS Energy & Mining Inc. was initiated on the Cerro Blanco Gold project in late 2017 and is well advanced. Shortly after commencing the Feasibility Study, Bluestone management assembled a Technical Advisory Committee ("TAC") to act as a peer review over key technical aspects of the study as it progresses. Bluestone was very fortunate to establish a group of internationally recognized technical experts who have been engaged with management and the JDS area leads over the past nine months on the Feasibility Study. Chaired by Alf Hills, the additional TAC members are Scott Donald (Hydrology), Allan Moss (Mining), Roger Nendick (Processing and Infrastructure), Robert Sim (Resource Estimation), and Dr. Ward Wilson (Waste Management).

Darren Klinck, President & CEO commented, "It is very rare that a Company the size of Bluestone looks to establish a peer review (TAC) over a technical study such as this, and even rarer to have access to an esteemed group with such a diverse and international base of experience. This approach is consistent with our objective to leverage past experiences with new technology and innovation to ensure long-term success and viability for the Company and its stakeholders."

A comprehensive review of the geology and structural controls of the deposit was completed as a basis for an updated resource estimate. This program entailed the re-logging of drill core and detailed surface and underground structural mapping led by UK-based consultants, Specialised Geological Mapping Ltd. This work resulted in a better understanding of the deposit and has been a key foundation in the development of the vein models and guiding infill drilling and exploration for new high-grade veins. Preliminary geology domain and vein wireframes are complete and have validated the work of the structural study. Final models will be adjusted with surface and underground drilling and sample results as part of the updated resource estimate expected imminently.

An infill drill program was completed by Bluestone that focused on under-drilled areas and new targets adjacent to the resource envelope. The program was successful in refining the resource model that is nearing completion. A total of approximately 11,000 meters was

drilled from both surface and from the 3.2 km of underground workings at Cerro Blanco, representing the first drilling on the project since 2012.

Significant broad intervals of gold and silver mineralization were intercepted as outlined in press releases dated April 17, 2018, May 15, 2018 and May 30, 2018, highlights include (true widths):

- 34.5 meters at 5.8 g/t Au and 18.6 g/t Ag
- 27.7 meters at 5.5 g/t Au and 17.2 g/t Ag
- 5.3 meters at 16.0 g/t Au and 29.1 g/t Ag
- 10.0 meters at 15.0 g/t Au and 32.5 g/t Ag
- 14.1 meters at 16.2 g/t Au and 20.6 g/t Ag
- 7.0 meters at 17.2 g/t Au and 94.9 g/t Ag
- 8.3 meters at 32.7 g/t Au and 79.6 g/t Ag
- 15.0 meters at 16.7 g/t Au and 105.4 g/t Ag
- 9.3 meters at 14.3 g/t Au and 68.5 g/t Ag

Darren Klinck, President and CEO commented, “The infill drilling program achieved its objective and enhanced our confidence in the continuity of the high-grade veins and geologic model. Results validated our understanding and interpretation of the new geological interpretation of the deposit and will be fundamental to the updated resource estimate expected shortly. In addition, the resource estimation work continues to highlight low-grade envelopes surrounding the high-grade veins and disseminated mineralization in cover rocks which adds to the total inventory of ounces at the Cerro Blanco Gold project. The low-grade disseminated resource first outlined in the PEA last year will also be updated and, while not the focus of the Feasibility Study, is expected to demonstrate resources at lower cut-off grades identified to date at the Cerro Blanco Gold project.”

Generative exploration work continues and a detailed exploration, mapping, and targeting exercise was carried out to identify high priority exploration drill targets outside the current high-grade deposit footprint. An initial drill program on some of these targets recently commenced.

Mobile underground mining equipment was acquired from the Marlin mine and has been utilized for underground mining and development activities associated with the underground exploration program. Additionally, 12 MW of CAT generators and associated transformers and switch gear were purchased and delivered to site for future use.

Flow testing of select geothermal wells was completed at the Mita Geothermal project. Equipment was installed onsite and four geothermal wells were tested for power generation capabilities. Multiple wells were flow tested for extended durations. The data collected fed into a new reservoir calculation that is expected to demonstrate an economic geothermal resource, as well as an estimated power generation capacity for a potential first phase project. Further drilling and follow up on the deeper reservoir, projected beneath the Mita geothermal concession, could have the potential to increase the projected power generation capabilities in the future.

Further studies are ongoing in this area in conjunction with synergies from the Cerro Blanco Gold project. Bluestone envisions a staged approach, with Phase 1 being a smaller operation that could supplement power requirements to the mine or be sold into the privatized national grid. A larger development could then be examined in the future as a Phase 2.

Several initiatives establishing business processes in human resources, risk management, and health and safety commenced as part of preparations for advancement beyond completion of the Feasibility Study. In addition to working with expert consultants and non-government organizations to enhance and broaden our stakeholder management and engagement priorities, Bluestone is pleased to have commenced work with local and international industry-leading partners to help bolster the Company's capacity. The Company undertook an exercise to engage the workforce in Guatemala and in Canada to establish a vision, mission, and corporate values. This initiative was very well received and has formed an important part of the fabric of our values-based organization.

As part of the Company's capital markets initiatives, the Company's common shares were listed on the OTCQB Venture under the symbol "BBSRF" and are DTC eligible. This is consistent with the goal of increasing the liquidity and convenience of trading within the U.S. market place. Additionally, Bluestone now has six brokerage firms providing research coverage on the Company demonstrating the quality of the assets and confidence in the strategy at Bluestone.

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. The Cerro Blanco Gold project economics, as disclosed in the Company's Cerro Blanco Preliminary Economic Assessment which is available at www.sedar.com, and updated mineral resource estimate for Cerro Blanco, indicate a robust project with an expected nine-year mine life producing 952,000 ounces of gold and 3,141,000 ounces of silver. Initial capital expenditures estimated in the PEA to fund construction and commissioning is estimated at US\$170.8 million with all-in sustaining cash costs (as defined per World Gold Council guidelines, less corporate general and administration costs) estimated to be US\$490 per ounce of gold produced. 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

For further information, please contact:

Bluestone Resources Inc.

Stephen Williams | VP Corporate Development & Investor Relations

Phone: +1 604 646 4534

info@bluestonerresources.ca

www.bluestonerresources.ca

In Europe:

Swiss Resource Capital AG

Jochen Staiger

info@resource-capital.ch

www.resource-capital.ch

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 (“NI 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.

Cautionary Language

The PEA is preliminary in nature, it includes inferred mineral resources that are considered too speculative geologically to have the economic considerations applied to them that would enable them to be categorized as mineral reserves, and there is no certainty that the PEA will be realized. Mineral resources that are not mineral reserves do not have demonstrated economic viability.

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 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 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; 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; 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.