

Bluestone Announces Positive Feasibility Study at Cerro Blanco Gold Project – 34% After-Tax IRR and AISC of US\$579/oz

January 29, 2019 – VANCOUVER, BRITISH COLUMBIA – Bluestone Resources Inc. (TSXV:BSR | OTCQB:BBSRF) ("Bluestone" or the "Company") is pleased to announce the results of the Independent Feasibility Study ("Feasibility Study") prepared in accordance with National Instrument 43-101 ("NI 43-101") for its 100% owned high-grade Cerro Blanco Gold project (the "Project"). The Feasibility Study demonstrates that the Project represents a robust, rapid pay-back, high-grade underground mining operation.

Darren Klinck, President and CEO commented, "The Feasibility Study outlines a robust development-ready, underground gold mine with a modest capital expenditure demonstrating superior economics. The mine plan supports the original conviction that the Project can be developed into a small footprint, low impact operation that will provide significant opportunities for local stakeholders and generate attractive returns for investors. Furthermore, over the next six months as we optimize the project and work to establish adequate project financing, we will see significant opportunity to continue with our objective to upgrade Inferred Resource ounces and then update the mine plan to incorporate potential meaningful mine life extension, further enhancing project economics."

Feasibility Study Highlights

Unless otherwise indicated, all dollar amounts are stated in U.S dollars ("\$"). Base case was completed at a gold price of \$1,250/oz and a silver price of \$18/oz.

- Average annual production of 146,000 ounces gold over the first three years of production.
- Average life of mine ("LOM") all-in sustaining costs ("AISC") of \$579/oz (net credits), which would place the Project in the bottom end of the lowest quartile of the global cost curve.
- Average annual free cash flow of \$91 million (CAD\$117 million) per year over the first three years of production.
- After-tax internal rate of return ("IRR") of 34%.
- Net present value ("NPV") of \$241 million after-tax (CAD\$309 million).
- Initial capital of \$196 million with an after-tax payback period of 2.1 years.
- Life of mine production of approximately 902,000 ounces over 8-year mine life.
- Proven & Probable Mineral Reserves of 940,000 ounces of gold and 3.6 million ounces of silver (3.4 million tonnes at 8.5 g/t Au and 32.2 g/t Ag). The Feasibility Study excludes an additional 357,000 ounces of Inferred Resources (1.4 million tonnes at 8.1 g/t Au and 23.6 g/t Ag).

"The Feasibility Study is a major milestone on the path to development for the Project. In a very short 18 months, we have assembled a terrific team in Guatemala and Canada, completed a significant amount of technical work, and delivered a Feasibility Study that demonstrates a materially de-risked project with attractive economics. Advancing the Cerro Blanco Project represents a tremendous opportunity to our many stakeholder groups including local communities in Guatemala, government partners, and our shareholders," commented Darren Klinck, President and CEO.

A corporate video presentation discussing the Feasibility Study is available for viewing by clicking this [LINK](#) or by visiting the Bluestone website, www.bluestonerresources.ca.

Project Enhancement Opportunities

Although Bluestone considers the Feasibility Study as providing a robust basis for moving forward with attractive returns and payback, opportunities have been identified to further enhance the Project economics and optimize the engineering. The Company intends to focus on the following opportunities over the next six months in parallel with project financing initiatives:

- Mine life extension through the potential conversion of a portion of the 360,000 ounces of Inferred Resources (per the press release dated September 11, 2018) to Measured and Indicated Resources through infill drilling (**currently ongoing**), followed by an updated mineral resource and mine plan.
- Potential resource growth from step-out drilling along existing veins that extend beyond the current resource envelope (**currently ongoing**).
- Identification of new high-grade veins during infill drilling program underway as illustrated in the press release dated January 9, 2019.
- Further optimization of the mine plan and sequencing through basic engineering and trade-off study review.
- Review opportunities to optimize backfilling assumptions including evaluating alternatives to paste fill which could reduce capital and operating expenditure.
- Preliminary test work in evaluating the potential of using ore sorting technologies was very successful and highlighted an opportunity as a cost-effective method to help reduce potential dilution and enhance the production profile by allowing new areas of the orebody to be economically mined.

A drilling program is currently underway as announced on November 13, 2018 and ongoing results will be incorporated into an updated resource estimate in Q3 2019 followed by an updated Feasibility Study.

Cerro Blanco Feasibility Study

The Feasibility Study provides a compilation of the geological, engineering, and hydrology work performed by the previous owners between 1997 and 2017, as well as work undertaken by Bluestone. The results of the Feasibility Study incorporate the infrastructure in place, including 3.2 kilometers of underground development decline, fully functional water treatment plant, maintenance shops, warehouse and office facilities, and a total of 580 holes and over 128,000 meters of drilling.

Bluestone engaged a consortium of independent consultants, led by JDS Energy & Mining Inc., an international engineering firm with extensive experience in both the construction and operation of mining projects. The Feasibility Study was supported by additional leading consultants with expertise in various fields, including: Capuano Engineering, Hatch Ltd., Kirkham Geosystems Ltd., and Stantec Inc.

An independent Technical Advisory Committee (“TAC”) was established to act as a peer review over key technical aspects of the Feasibility Study. The TAC is a group of internationally recognized technical experts who have been engaged with management and the Engineering Area Leads throughout the Feasibility Study. Chaired by Alf Hills, the additional TAC members are Scott Donald (Water Management, Hydrogeology, and Groundwater Modelling), Allan Moss (Mining and Geotechnical), Roger Nendick (Processing and Infrastructure), Robert Sim (Resource Estimation), and Dr. Ward Wilson (Water and Tailings Management).

Table 1 – Summary of the Economics of the Cerro Blanco Feasibility Study

Gold price (base case)	\$1,250/oz
Silver price (base case)	\$18.00/oz
Exchange rate (Guatemala Quetzal to US Dollar)	7.5:1
Exchange rate (CAD to US Dollar)	0.78:1
Average annual gold production (years 1-3)	146,000 ounces
Average annual gold production (LOM)	113,000 ounces
Total gold production (LOM)	902,000 ounces
Average gold head grade	8.5 g/t
Average silver head grade	32.2 g/t
Average gold recovery	96.0%
Average silver recovery	85.0%
Throughput	1,250 tonnes per day
Mine life	8 years
Operating costs	Mining – \$67.01/tonne mined Processing – \$19.79/tonne milled Site Services (includes dewatering) – \$19.21/tonne milled G&A - \$11.76/tonne milled
Total operating costs	\$117.78/tonne milled
Cash costs (LOM net credits)	\$424/oz Au
All-in Sustaining Cash Costs (LOM net credits)*	\$579/oz Au
Initial capital (including contingency)	\$196 M
Sustaining capital, including closure costs	\$140 M
Average annual after-tax free cash flow	\$91 M per year (years 1-3)
Total production after-tax free cash flow	\$538 M
NPV _{5%} (pre-tax)	\$292 M
IRR (pre-tax)	40%
NPV _{5%} (after-tax)	\$241 M (base case), \$301 M (\$1,350/oz gold)
IRR (after-tax)	34% (base case), 40% (\$1,350/oz gold)

*all in sustaining cash costs (net credits) = (operating costs + offsite costs + royalties + sustaining and closure capital – value of payable silver ounces) / payable gold ounces

Table 2 – Economic Sensitivities

Gold price (\$/oz)	\$1,200	\$1,250	\$1,300	\$1,350	\$1,400
After-tax NPV 5%	\$212 M	\$241 M	\$271 M	\$301 M	\$331 M
After-tax IRR	31%	34%	37%	40%	43%
After-tax Payback	2.3 years	2.1 years	2.0 years	1.9 years	1.8 years

Comparison to the February 2017 Preliminary Economic Assessment (PEA)

The February 2017 PEA presented a scenario at the time of acquisition with the information available from the previous owners. Since Bluestone acquired the Project, a comprehensive review of the geology and structural controls of the deposit has been completed and formed the basis for the new resource estimate (see press release dated September 11, 2018). This included an infill drilling program undertaken as part of the resource estimate update exercise and was successful in refining the resource model thereby confirming the understanding of the deposit. Dewatering, ventilation, and cooling are important aspects of the mine design at the Project and were investigated in detail with the Feasibility Study. A fully calibrated numerical ground water model was developed, allowing for a comprehensive assessment of the hydrogeological regime and optimization of the underground mine

dewatering requirements, and development of a site-wide water balance. Precedents from existing mining operations that manage and control similar underground mining environments were benchmarked against and have validated Bluestone’s assumptions and approach.

Key differences between the PEA and Feasibility Study include:

- Total ounces in the mineral resource remain virtually unchanged; however, slightly fewer ounces converted into the mine plan with the refined resource model. An infill drilling program is currently underway to convert Inferred Resources into Measured and Indicated Resources.
- Operating costs were affected with a shift in the split of mining methods driven from the new mine plan, resulting in an increase to the amount of cut and fill mining.
- With a better understanding of the groundwater conditions, operating costs increased to ensure the mine dewatering could be fully and properly managed in parallel with the mine plan. In addition, enhanced ventilation has been included to ensure underground mine air quality and temperature are consistently managed.
- Additional pre-production and sustaining capital requirements are also necessary for dewatering infrastructure.

FEASIBILITY STUDY DETAILS

Geology and Mineral Resource Estimate

The Project is a classic hot springs-related, low sulphidation epithermal gold-silver deposit comprising a system of moderate to steeply dipping quartz-adularia-calcite veins. The Mineral Resource estimate has a footprint of 800 x 400 meters between elevations of 525 meters and 200 meters above sea level. The bulk of the high-grade veins occur as two upward-flared vein arrays (North and South Zones) that converge at depth into master feeder veins, that appear to define a positive flower structure. Most of the veins are hosted in a gently dipping sequence of siltstones, limestones, conglomerates, and andesitic tuffs (Mita Unit) that are overlain by approximately 100 meters of silicified conglomerates and sinter beds (Salinas Unit) representing an un-eroded paleosurface that forms the low-lying hill at the Project. The Salinas rocks are host to a tabular zone of low-grade disseminated gold and silver mineralization.

The updated Mineral Resource estimate is the result of 128,220 meters of drilling at the project (580 drill holes) by previous operators and Bluestone, including 104 holes (18,033 meters) drilled from underground. The Mineral Resource estimate is based on a new and robust geological and structural model, supported by over 3 kilometers of underground infrastructure.

The Mineral Resource estimate was disclosed in a press release dated September 11, 2018.

Table 3 – Cerro Blanco Mineral Resource Estimate at a 3.5 g/t Au Cut-Off

Resource Category	Tonnes (000's)	Au Grade g/t	Ag Grade g/t	Contained Gold (000's Oz)	Contained Silver (000's Oz)
Measured	290	10.31	39.14	96	365
Indicated	3,426	10.03	37.79	1,105	4,164
Measured & Indicated	3,718	10.05	37.89	1,201	4,529
Inferred	1,373	8.09	23.58	357	1,041

- 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, with an effective date of September 10, 2018.
- 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.
- Underground Mineral Resources are reported at a cut-off grade of 3.5 g/t Au. Cut-off grades are based on a price of US\$1,250/oz gold, US\$16/oz silver, and a number of operating cost and recovery assumptions, plus a contingency.
- Numbers are rounded.

- The Mineral Resources may be affected by subsequent assessment of mining, environmental, processing, permitting, taxation, socio-economic, and other factors.

Mineral Reserves and Mining

The estimated Mineral Reserves presented by reserve class are shown in the following table. The overall diluted gold grade of the mineralized material going to the mill is estimated at 8.5 g/t.

These Mineral Reserves support an initial 8-year mine life. An infill drill program is currently underway (as per the press release dated November 13, 2018) that is targeting the conversion of Inferred Resources into Measured and Indicated Resources. The Project deposit is expected to be accessed by the existing 3.2 kilometers of underground development. The current decline will serve as the primary access to the mine for personnel, materials, and haulage of mineralized material to the plant site. Annual ore production of up to 460,000 tonnes is planned from a combination of long-hole stoping and cut and fill mining methods.

Table 4 – Cerro Blanco Mineral Reserves as at January 29, 2019

Category	Tonnes (000's)	Au Grade g/t	Ag Grade g/t	Contained Gold (000's Oz)	Contained Silver (000's Oz)
Proven	313	8.3	31.4	83	315
Probable	3,131	8.5	32.3	857	3,254
Total	3,444	8.5	32.2	940	3,570

- The Qualified Person for the Mineral Reserve estimate is Michael Makarenko, P. Eng., of JDS Energy & Mining Inc.
- Effective date: January 29, 2019. All Mineral Reserves have been estimated in accordance with CIM definitions, as required under NI 43-101.
- Mineral Reserves were estimated using a \$1,250 /oz gold price and gold cut-off grade of 3.5 g/t. Other costs and factors used for gold cut-off grade determination were mining, process, and other costs of \$109.04/tonne, transport and treatment charges of \$5.00 /oz Au, a royalty of \$24.84 /oz Au, and a gold metallurgical recovery of 95%.
- Silver was not used in the estimation of cut-off grades but is recovered and contributes to the revenue stream.
- Tonnages are rounded to the nearest 1,000 tonnes, metal grades are rounded to one decimal place. Tonnage and grade measurements are in metric units; contained gold and silver are reported as thousands of troy ounces.
- Rounding as required by reporting guidelines may result in summation differences.

Dewatering, ventilation, and cooling are important aspects of the mine design at the Project. The water in the immediate mine area will be lowered by a series of surface and underground dewatering wells. Any remaining water underground will be captured and pumped to surface through the collection at underground sumps. Currently, approximately 40% of the Mineral Reserves sit above the water table and are accessible through the 3.2 kilometers of lateral underground development. Precedents from existing mining operations that manage and control similar underground mining environments have validated Bluestone's approach and assumptions.

In addition to the existing surface dewatering wells, a series of new dewatering wells are planned to draw down the water around the deposit. A portion of the mine water will be treated and discharged, and the balance disposed of through a series of new reinjection wells.

Initial estimates of dewatering rates to meet the needs of the mine plan were estimated from a detailed numerical ground water model, which included steady state and transient state calibration.

The number of wells required to achieve the desired dewatering will comprise five of the existing wells and eight new dewatering wells.

Processing

The Feasibility Study is based on a process plant capable of treating 1,250 tonnes per day of ore. The comminution circuit includes three-stage crushing and two stage ball mill grinding to produce a target grind size of 80% passing 50 microns. Processing will incorporate a rate of 460,000 dry tonnes per year at an average feed grade of 8.5 g/t gold and 32.2 g/t silver. Based on recent test work, the optimized flowsheet includes pre-oxidation, a 48-hour leach circuit, followed by a 6-hour carbon-in-pulp adsorption circuit with expected recoveries of 96% gold and 85% silver.

Capital & Operating Costs

Initial capital to fund construction and commissioning is estimated at \$196 million. The Project benefits from a significant amount of underground development already in place, a water treatment plant, maintenance and warehouse facilities, offices, and communications. The project is located eight kilometres from the Pan American Highway and an under-utilized electrical substation.

Table 5 – Cerro Blanco Capital Cost Estimate

	Initial Capital (\$M)	Sustaining Capital (\$M)	Life Of Mine (\$M)
Mining	\$32.4	\$67.7	\$100.1
Site Development	\$5.3	\$0.4	\$5.7
Mineral Processing	\$44.7	\$4.2	\$48.9
Tailings Management	\$2.5	\$5.1	\$7.6
On-Site Infrastructure (dewatering)	\$19.2	\$44.5	\$63.7
Off-Site Infrastructure	\$5.6	-	\$5.6
General Directs	\$8.4	-	\$8.4
Project Indirects	\$39.3	\$7.0	\$46.3
Owners Costs	\$15.6	-	\$15.6
Closure Costs		\$10.6	\$10.6
Contingency	\$22.7	-	\$22.7
Total	\$195.7	\$139.6	\$335.2

Table 6 – Cerro Blanco Operating Cost Estimate

	Cost Per Payable Au Ounce (\$/oz)	Cost per Tonne Milled (\$/t)
Mining	\$256.63	\$67.01
Processing	\$75.82	\$19.79
Site Services (includes dewatering)	\$73.57	\$19.21
G&A	\$45.03	\$11.76
Total Direct Operating Costs	\$451.05	\$117.78
Refining & Transport	\$6.02	-
Royalties	\$26.83	-
By-product Credits	(\$60.06)	-
Total Cash Costs (net credits)	\$424	-

Table 7 – All-in Cash Costs Including Sustaining Capex

Mining	\$230.8
Processing	\$68.2
Site Services	\$66.2
Site G&A	\$40.5
Refining & Transport	\$5.4
Royalties	\$24.1
Sustaining Capital	\$139.6
By-product Credits	\$54.0
Total (\$M)	\$521 M
All-in Sustaining Cash Costs (net of credits)(\$/oz)	\$579/oz Au

All-in sustaining costs are presented as defined by the World Gold Council less corporate G&A. Calculated as: (refining costs + third party royalties + operating costs + sustaining capital costs + closure capital costs – payable silver ounces value) / payable gold ounces.

Infrastructure

The Project is located approximately 160 kilometers southeast of Guatemala City. The site is accessible via the Pan-American Highway (CA1) through the town of Asunción Mita. Existing infrastructure is in place to provide year-round access, a new 5 kilometer-long access road and 8.2 kilometer power transmission line will be installed as part of the construction of the Project. The topography is flat with rolling hills. Guatemala has 400 kilometers of coastline, with the closest deep-water port (Puerto Quetzal) on the Pacific Ocean, which is connected by good highway access to the Project.

Corporate Social Responsibility and Economic Benefits

Bluestone is a values-based company where environmental and community stewardship are integral to our core values. We live in the communities we operate in and follow best practices to minimize impacts to the environment. The Project and local team have been part of the local community for over a decade and Bluestone is active in engaging with the stakeholders around the Project.

The development of the Project is expected to provide substantial economic benefits to Guatemala, both locally and at a national level. During the 18 to 24-month construction period, the Project is expected to generate direct employment of 500+ people, and once in operation, direct employment of 400+ people. It is estimated that during production the mine will inject approximately \$60 million annually and contribute approximately \$500 million to the Guatemalan economy through direct employee wages, consumables, taxes, and royalties. In addition, the project is expected to generate several hundred additional indirect jobs with local suppliers and service providers.

A key priority will be to train and develop skills of the local workforce as the Project advances which is in-line with Bluestone’s philosophy of working with our stakeholders and communities.

In 2018 Bluestone engaged a third -party consultant to lead an updated social baseline assessment as well as an IFC performance gap assessment. Bluestone is committed to following best practices and international standards.

Next Steps

With the Feasibility Study now completed, Bluestone will advance the Project toward development over the next few quarters. Key next steps include:

- Optimization and trade-off studies to be undertaken.
- Infill drilling as part of the resource conversion and expansion program currently underway.
- Commence engineering and design activities.

- Update resource estimate and mine plan.
- Advance project financing activities.

Technical Information

The Technical Report summarizing the results of the Feasibility Study is being prepared in accordance with NI 43-101 and will be filed under the Company's profile on SEDAR within 45 days of this press release. The Qualified Persons have reviewed and verified that the technical information in respect to the Feasibility Study in this press release is accurate and approve the written disclosure of such information.

The Qualified Persons who will prepare the Technical Report are:

Qualified Person	Company	QP Responsibility
Maz Mohaseb, P.Eng.	JDS Energy & Mining Inc.	Project Management, Environmental/Permitting/Social, CAPEX, OPEX, Economic Analysis
Michael Makarenko, P.Eng.	JDS Energy & Mining Inc.	Mineral Reserve Estimate, Mining Methods
Michael Levy, P.E.	JDS Energy & Mining Inc.	Underground Geotechnical
Kelly McLeod, P. Eng.	JDS Energy & Mining Inc.	Metallurgy, Recovery Methods
Richard Boehnke, P.Eng.	JDS Energy & Mining Inc.	Infrastructure
Garth Kirkham, P.Geo.	Kirkham Geosystems Ltd.	Geology, Mineral Resource Estimate
Hhan Olsen, P.G., CPG	Stantec Consulting Inc.	Water Management
Bryan Ulrich, P.E.	Stantec Consulting Inc.	DSTF, Waste Rock Facility

Other than as set forth above, all scientific and technical information contained in this press release has been reviewed, verified, and approved by David Gunning, P.Eng., a mining engineer, and the Vice President Operations, or David Cass, P.Geo., and the Company's Vice President Exploration, both Qualified Persons under NI 43-101.

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 Bluestone Resources Inc.

"Darren Klinck"

Darren Klinck | President, 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 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 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 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.

Non-IFRS Financial Performance Measures

The Company has included certain non-International Financial Reporting Standards (“**IFRS**”) measures in this new 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.

Total cash costs

Total cash costs is a common financial performance measure in the gold mining industry but has no standard meaning. The Company reports total cash costs on a gold ounce sold basis. The Company believes that, in addition to measures prepared in accordance with IFRS, such as revenue, certain investors can use this information to evaluate the Company’s performance and ability to generate operating earnings and cash flow from its mining operations. Management uses this metric as an important tool to monitor operating cost performance.

Total cash costs include (cost of sales such as mining, processing, maintenance and site administration, royalties, selling costs and by-product credits) to arrive at total cash costs per ounce of gold sold. Other companies may calculate this measure differently.

AISC and total cash costs reconciliation

AISC and total cash 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.