

Bluestone Announces Feasibility Study with After-Tax NPV of \$1,047M and 30% IRR on Flagship Cerro Blanco Gold Project

February 22, 2022 – VANCOUVER, BRITISH COLUMBIA – Bluestone Resources Inc. (TSXV:BSR | OTCQB:BBSRF) ("Bluestone" or the "Company") is pleased to announce the results of the Feasibility Study (the "FS" or the "Study") for the Cerro Blanco Gold Project (the "Project"). The Study demonstrates a robust, rapid pay-back, high-grade operation at a first quartile all-in sustaining cost ("AISC").

Jack Lundin, President and CEO, commented, "The Feasibility Study highlights some of the best economics for a gold project seen in recent studies and is a major milestone on the path to the development of the Cerro Blanco mine, providing a blueprint for the detailed engineering phase and construction of the Project. Sustainable environmental management is a key aspect incorporated into the design of the Project, including a modern dry stack filtered tailings facility and water treatment plant. Our corporate strategy aligns with our philosophy of responsible development prioritizing local training and hiring to maximize opportunities and benefits for our local stakeholders. Advancing the Cerro Blanco Project represents a tremendous opportunity to our many stakeholder groups including the local Guatemalan communities, government partners, and our shareholders."

Feasibility Study Highlights

The Feasibility Study was prepared in accordance with National Instrument 43-101 ("NI 43-101") standards. Unless otherwise indicated, all dollar amounts are stated in U.S dollars ("\$"). The base case was completed at a gold price of \$1,600/oz and a silver price of \$20/oz.

- Life of mine ("LOM") production of approximately 2.6 million ounces of gold and 10.6 million ounces of silver over an initial 14-year mine life.
- Peak production of 347,000 ounces and average annual production of 241,000 ounces gold over the first ten years of operation.
- Average life of mine AISC of \$629/oz (net of credits).
- Average annual free cash flow of \$228 million per year during the first 10 years and life of mine total free cash flow of \$2.350 billion.
- Net present value ("NPV5%") of \$1.047 billion after-tax.
- After-tax internal rate of return ("IRR") of 30%.
- Initial capital of \$572 million with an after-tax payback period of 2.2 years.
- Proven & Probable Reserves of 2.8 million ounces of gold and 12.6 million ounces of silver (53.9 million tonnes at 1.6 g/t Au and 7.3 g/t Ag).
- At spot gold and silver prices (\$1,897/oz & \$23.94/oz), the NPV5% increases to \$1.563 billion and the IRR to 40% with a payback of 1.7 years.

Jack Lundin, President and CEO, added, "The Study confirms Cerro Blanco as an exceptional open pit development opportunity. In the first four years of production, the mill feed grades will average 2.5 g/t gold and the open pit mine will produce approximately 300,000 oz gold per year. With all-in sustaining costs at \$629/oz and over 2.6 million ounces to be produced over the life of the mine, the low-cost, robust nature of the deposit will generate significant free cash flow, making Cerro Blanco a rare development opportunity in the gold space today."

Cerro Blanco Feasibility Study Details

Bluestone engaged a consortium of independent consultants, led by G Mining Services, a specialized mining consultancy firm that provides a wide range of services to mining projects from greenfield to operating mines. The Feasibility Study was supported by additional leading consultants with expertise in various fields, including Kirkham Geosystems Ltd., NewFields, ERM, and Stantec Inc.

The Feasibility Study evaluates recovery of gold and silver from an open pit operation and a 4.0 Mtpa conventional process plant that will include crushing, grinding, and agitated leaching followed by a carbon-in-pulp recovery process to produce doré bars.

Table 1 – Summary of the Economic Metrics of the Cerro Blanco Feasibility Study

Gold price (base case)	\$1,600/oz
Silver price (base case)	\$20.00/oz
Exchange rate (Quetzal to US Dollar)	7.69:1
Exchange rate (CAD to US Dollar)	0.76:1
Peak annual gold production	347,000 ounces
Average annual gold production (years 1-4)	297,000 ounces
Average annual gold production (LOM)	197,000 ounces
Total gold production (LOM)	2,645,000 ounces
Strip Ratio (w:o)	2.7 : 1
Average gold head grade	1.64 g/t
Average silver head grade	7.27 g/t
Average gold recovery	93.0%
Average silver recovery	84.3%
Nominal Plant Throughput	4.0 Mtpa
Mine life	13.7 years
Operating costs	Mining – \$2.53/tonne mined (\$10.42/tonne milled) Processing – \$12.97/tonne milled Site Services – \$2.73/tonne milled G&A – \$3.42/tonne milled
Total operating costs	\$29.55/tonne milled
Cash costs (LOM net of credits)	\$560/oz Au
All-in Sustaining Cash Costs (LOM net of credits)*	\$629/oz Au
Initial capital (including contingency)	\$572 M
Sustaining capital, including closure costs	\$178 M
Average annual after-tax free cash flow	\$308 M per year (years 1-4)
Total production after-tax free cash flow	\$2,350 M
NPV _{5%} (pre-tax)	\$1,265 M
IRR (pre-tax)	37%
NPV _{5%} (after-tax)	\$1,047 M (base case)
IRR (after-tax)	30% (base case)

* Cash costs per payable ounce of gold, Operating Costs per tonne processed, and AISC per payable ounce of gold sold are non-GAAP financial measures. Please see "Cautionary Note Regarding Non-GAAP Measures. 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, Leverage to Gold Price

Gold price (\$/oz)	\$1,400	\$1,550	\$1,600	\$1,800	\$2,000
After-tax NPV 5% (\$M)	712	964	1,047	1,377	1,706
After-tax IRR	23.4%	28.6%	30.2%	36.3%	42.1%
After-tax Payback	2.6	2.3	2.2	1.9	1.6

Deposit Geology and Mineral Resource

Cerro Blanco is a classic hot springs-related low-sulphidation epithermal gold-silver deposit comprising high-grade vein and low-grade disseminated mineralization. The high-grade mineralization is hosted mainly in Mita sedimentary and volcanic rocks as two upward-flaring vein swarms (North and South Zones) that converge downwards into basal feeder veins where drilling has demonstrated significant widths of high-grade mineralization, e.g., 15.5 meters 21.4 g/t Au and 52.0 g/t Ag (hole CB20-420). Bonanza gold grades are associated with ginguro banding (quartz and silver sulphides) and carbonate replacement textures. Sulphide contents are low, typically <3% by volume. Low-grade disseminated and veinlet mineralization in wall rocks around the high-grade veins is well documented in drilling since discovery of the deposit, with grades typically ranging from 0.3 to 3.0 g/t Au.

The Mita rocks are overlain by the Salinas unit, a sub-horizontal sequence of volcanogenic sediments and sinter horizons approximately 100 meters thick that form the low-lying hill at the Project. The

overlying Salinas cap rocks are host to low-grade disseminated mineralization associated with silicified conglomerates and rhyolite intrusion breccias.

In profile, the inverted wedge-shape of the high-grade veins (upward flaring arrays) and their low-grade halos overlain by mineralized Salinas cap rocks to surface render the deposit amenable to exploitation by surface mining methods with a low strip ratio.

The mineral resource has a footprint of 800 x 400 meters between elevations of 525 meters and 200 meters above sea level. The mineral resource estimate is the result of 141,969 meters of drilling by Bluestone and previous operators (1,256 drill holes and channel samples by Bluestone) with the majority of meters drilled after the completion of the current EIA. The 3.4 kilometers of underground adits that were developed by previous owners allowed underground mapping, channel sampling, and over 30,000 meters of underground drilling that was critical to Bluestone’s current understanding and validation of the Cerro Blanco geological model. The mineral resource estimate is based on a scenario that considers open pit mining methods and therefore required improved geological models of the lithologic units. These broad mineralized lithologies are host to the high-grade veins that have been the focus of the potential underground mining scenario. The resulting domain models and estimation strategy was designed to accurately represent the grade distribution.

Table 3 – Cerro Blanco Mineral Resource Estimate at a 0.4 g/t Au Cut-Off

Resource Category	Tonnes ('000)	Au Grade (g/t)	Ag Grade (g/t)	Contained Au (000's oz)	Contained Ag (000's oz)
Measured	40,947	1.8	7.9	2,382	10,387
Indicated	22,595	1.0	4.2	706	3,058
Measured and Indicated	63,542	1.5	6.6	3,089	13,445
Inferred	1,672	0.6	2.1	31	112
Below Pit (Indicated)*	189	5.7	13.4	35	82
Stockpile (Measured)	30	5.4	22.6	5	22

* Resources identified below the pit shell that are amenable to underground mining (3.5 g/t cut off applied).

The mineral resource statement is subject to the following:

- Prepared by Garth Kirkham (Kirkham Geosystems Ltd.) an Independent Qualified Person in accordance with NI 43-101.
- 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.
- 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.
- 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.
- Rounding as required by reporting guidelines and may result in summation differences.

The mineral resource estimate for Cerro Blanco was prepared to industry standards and best practices by Garth Kirkham, P.Geo., an Independent Qualified Person for the purposes of NI 43-101. The mineral resource was estimated using commercial mine modelling and geostatistical software. The deposit was segregated into multiple estimation domains based on geologic models for each of the mineralized veins and the Salinas and Mita host lithologies, including sinter units. The mineral resource was estimated using ordinary kriging interpolation for the continuous vein domains and the Salinas and Mita host units.

Mining

Mining is to be carried out using conventional open pit techniques with hydraulic shovels, wheel loaders, and mining trucks in a bulk mining approach on an owner operated basis. The majority of the loading in the pit will be done by two hydraulic shovels matched with a fleet of 90-tonne capacity haul trucks. Mining is planned to be done in several phases. The objective of pit phasing is to improve the economics of the Project by feeding the mill with higher grade material during the earlier years and/or delaying waste stripping until later years. Initial phases are designed to have a lower strip ratio than the subsequent phases. The initial life of the Project is 14 years with upside potential through regional exploration and identification of satellite pits. The Company believes there are additional

opportunities to further extend the mine life by exploration. Historical drilling has identified mineralization along strike north of the existing Resources, including 2.2 g/t gold over 57.0 meters.

Mine planning and scheduling were engineered to feed 4.0 Mt per year of mill feed to the process plant at an average strip ratio of 2.7 and an average LOM cost of \$2.53/t mined. A total of 53.9 Mt of mill feed averaging 1.6 g/t gold and 7.3 g/t silver (1.7 g/t Au Eq.), will be processed over the LOM from the pit area. Mill feed will be trucked to a primary crusher located to the east of the pit. Waste totalling 145.4 Mt will be placed in a waste storage facility. Open-pit mining dilution has been estimated with a dilution skin of 0.5 meters resulting in 6.7% dilution at a grade of 0.2 g/t gold and 2.3 g/t silver.

A pit stability study was undertaken to determine the pit slope design parameters, including inter-ramp angles ranging from 42° to 56° and 10-meter benches.

The Feasibility Study outlines an average production profile of 197,000 ounces of gold over the 14-year mine life with a peak production profile of 347,000 ounces of gold per year. Mining will occur over a 10-year period with an additional 4 years of production from stockpiled ore. Mill feed grade averages 2.0 g/t gold over the first 10 years.

Figure 1 – Production Profile and Mill Feed Grade (Au g/t)

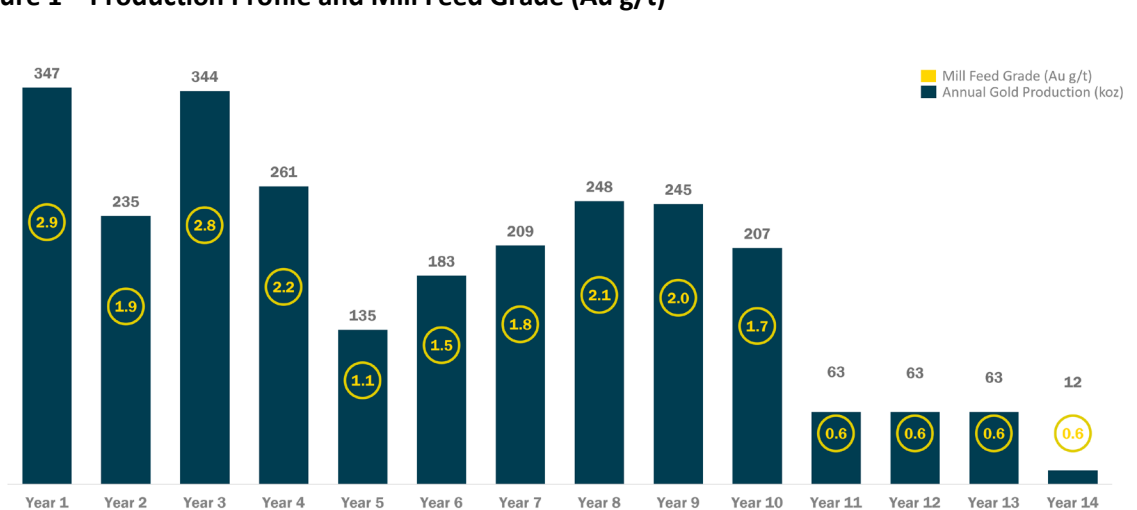


Table 4 – Production Profile

	Y1	Y2	Y3	Y4	Y5	Y6	Y7	Y8	Y9	Y10	Y11	Y12	Y13	Y14
Ore Milled (kt)	4,000	4,000	4,011	4,000	4,000	4,000	4,011	4,000	4,000	4,000	4,011	4,000	4,000	755
Gold Grade Milled (g/t)	2.87	1.95	2.83	2.16	1.14	1.52	1.75	2.07	2.04	1.73	0.56	0.56	0.56	0.56
Silver Grade Milled (g/t)	14.55	11.75	13.88	9.81	6.29	7.36	6.08	5.32	5.02	4.96	3.66	3.66	3.66	3.66
Gold Recovery (%)	94.2%	93.9%	94.2%	93.9%	92.6%	93.4%	92.6%	93.1%	93.6%	92.9%	88.5%	88.5%	88.5%	88.5%
Gold Recovered (koz)	347	235	344	261	135	183	209	248	245	207	63	63	63	12

Mineral Reserves presented by class are shown in the following table. The mill feed head grade averages 2.0 g/t gold over the first 10 years of mining, excluding the processing of the low grade stockpile at the end of the mine life.

Table 5 – Cerro Blanco Mineral Reserve Statement

Mill Feed Material	Tonnes (000's)	Au Grade g/t	Ag Grade g/t	Contained Au (000's Oz)	Contained Ag (000's Oz)
Proven	37,618	1.89	8.34	2,286	10,084
Probable	16,279	1.07	4.81	560	2,518
Proven & Probable	53,896	1.64	7.27	2,846	12,602

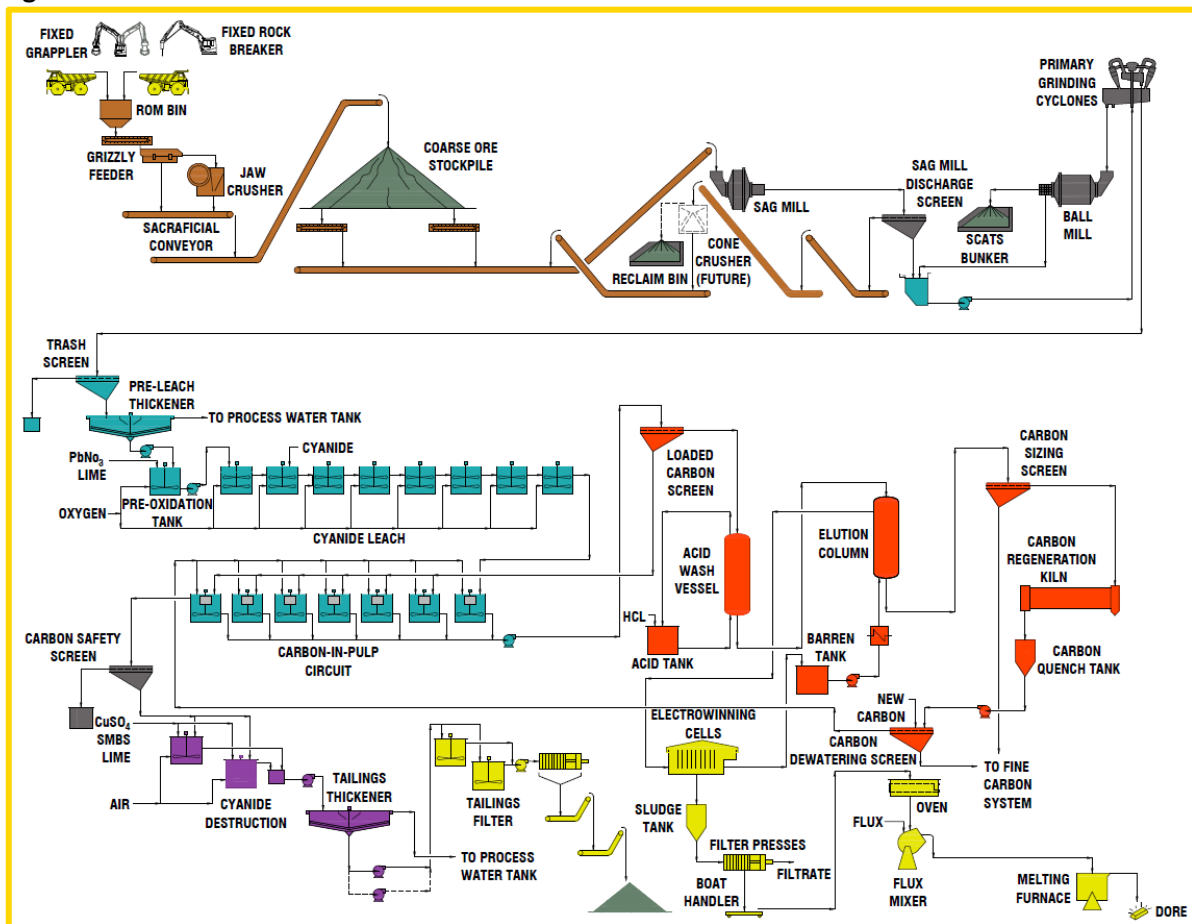
The mineral reserve statement is subject to the following:

- Effective date: November 1, 2021. The Qualified Person for the Mill Feed estimate is Mathieu Gignac, P. Eng. of G Mining Services Inc.
- The cut-off grade for mill feed material was estimated using a \$1,550/oz gold price and gold cut-off grade (COG) of 0.50 g/t Au Eq. Other costs and factors used for gold cut-off grade determination were process, G&A, and other costs of \$21.17/tonne, a royalty of \$31.6 /oz Au and a gold metallurgical recovery of 91%, and a silver metallurgical recovery of 85%.
- Bulk density of mineralized material is variable but averages 2.6 t/m³.
- The average strip ratio is 2.7 : 1.
- Tonnages are rounded to the nearest 1,000 tonnes, metal grades are rounded to two decimal places. 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 and may result in summation differences.

Processing

The process plant design is built on conventional industry standard unit operations. The Feasibility Study is based on treating 4.0 million tonnes of ore per year at an average feed grade of 1.6 g/t gold and 7.3 g/t silver through a conventional Leach-CIP process plant to produce doré bars. The overall process flowsheet includes a single-stage jaw crusher, SAG and ball mill grinding, atmospheric pre-oxidation, cyanide leach, carbon adsorption via carbon-in-pulp (CIP), carbon elution, and gold recovery circuits. Tailings will be treated and dewatered to produce a filtered tailings product.

Figure 2 – Cerro Blanco Process Flowsheet



Additional metallurgical testing programs were carried out as part of the Feasibility Study to support the development of the flowsheet. The additional testing focused on different lithologies and composite samples to test variability and characterization of ore zones, grind size, leach extraction,

and filtration. Based on recent and historical metallurgical test work, the estimated overall recoveries are 93.0% for gold and 84.3% for silver.

Filtered tailings will be placed in a “dry stack” tailings storage facility, eliminating the need and risks associated with the construction and operation of a traditional slurry tailings impoundment.

Capital & Operating Costs

The Feasibility Study contemplates a 25-month capital development and construction timeline that includes a 5-month commissioning period. Total initial capital cost during this period is estimated at \$572 million with LOM capital estimated at \$750 million including closure costs.

The Feasibility Study provides a blueprint for development and will provide a basis for project financing. The CAPEX and OPEX are established from first principles to reflect a self-perform construction strategy.

Contingency has been applied to the estimate on an area and discipline basis, variances ranged from -5% to +35% depending on the area and level of quotation and then applying a Monte Carlo simulation analysis.

Table 6 – Cerro Blanco Capital Cost Estimate

Capital Cost Estimate (\$M)	Initial Capital (\$M)	Sustaining Capital (\$M)	Life of Mine (\$M)
Infrastructure	\$39.6	\$11.1	\$50.8
Power & Electrical	\$38.8	-	\$38.8
Water Management	\$52.0	\$39.9	\$91.9
Surface Operations	\$14.4	-	\$14.4
Mining	\$42.3	\$89.2	\$131.6
Process Plant	\$136.9	-	\$136.9
Construction Indirects	\$66.3	-	\$66.3
Owners Costs	\$77.8	-	\$77.8
Pre-Prod, Start-up, Commissioning	\$35.8	-	\$35.8
Pre-Prod Mining and Pre-Stripping	\$54.4	-	\$54.4
Subtotal	\$558.3	\$140.3	\$698.7
Contingency	\$60.7	-	\$60.7
Closure	-	\$38.1	\$38.1
Pre-Prod Revenue	\$47.5	-	\$47.5
Total Capital Costs	\$571.5	\$178.4	\$749.9

The initial capital cost estimate does not include Value Added Tax (VAT) estimated at \$61 million. VAT will be recoverable once production begins and is included in the economic model results.

Table 7 – Cerro Blanco Operating Cost Estimate

Operating Cost Estimate	Cost per Tonne Milled (\$/t)
Mining	\$10.42
Processing	\$12.97
Surface Operations (includes dewatering)	\$2.73
G&A	\$3.42
Total Direct Operating Costs	\$29.55

Table 8 – All-in Cash Costs Including Sustaining Capex

Mining	\$549.9
Processing	\$684.9
Site Services	\$144.4
Site G&A	\$180.6
Refining & Transport	\$24.2
Royalties	\$89.9
Sustaining Capital	\$178.4
By-product Ag Credits	\$208.6
Total (\$M)	\$1,644 M
All-in Sustaining Cash Costs (net of credits) (\$/oz)	\$629/oz Au

All-in sustaining costs are presented as defined by the World Gold Council, 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.

Major infrastructure to be built in construction includes a new access road, bridge, powerline, maintenance and administration facilities, and camp.

Following the approval of an EIA, construction of a new bridge is expected to commence in early 2022. Additionally, a new 35 kilometer powerline will be constructed prior to Operations. The Project is expected to draw an estimated 33 MW from the grid during steady state operation. Advanced discussions are underway regarding the powerline design and engineering with construction expected to commence this year.

The design of the Project includes a comprehensive water management plan for construction, operations, and closure. The mine will be dewatered through a series of peripheral wells, drain holes, and in-pit sumps. All water collected will be treated prior to being recycled for use in the process plant or discharged from the site. Water quality testing and reporting has been ongoing at the Project for almost 15 years and is a key aspect to the Company's water management plan. Test results are submitted regularly to national authorities and verified through a community-led participatory water monitoring program.

Permitting

The Company recently submitted the environmental permit amendment application for the change in mining method to the governmental authorities. The next steps include a site visit from the permitting authorities, followed by a clarification period after which approval of the permit is expected. Based on current estimates, the Company believes it will be possible to receive approval of the permit amendment in Q3 2022, followed by a construction licence and a forestry license.

The amendment application is a comprehensive document that covers all aspects of the Project in detail. It builds on historical data and the previously approved 2007 EIA to incorporate the new mining method. Environmental monitoring has been ongoing at the Project since the early 2000s and there is a substantial database of environmental information for the site and region. While aspects of the Project layout have increased in size, fundamental design characteristics remain unchanged, including the processing plant, filtered "dry stack" tailings, water management infrastructure, and other facilities.

As part of the submittal of the permit amendment application, and prior to lodging it, the Company hosted a socialization event that presented a detailed overview of the Cerro Blanco Project, environmental aspects, and mitigation measures to the surrounding communities. Additionally, the Company has hosted over 300 visitors through guided site tours of the existing Project infrastructure.

Jack Lundin, President and CEO, commented, "Submitting the permit amendment application last year was a significant milestone. It is a comprehensive document that outlines the Cerro Blanco Project in detail. Over the next several months we will be working to provide answers or supplemental information to any further inquiries. We were recently awarded an EIA for the construction of a new

bridge. Construction of this key piece of offsite infrastructure is anticipated to start in the current quarter.”

Corporate Social Responsibility

A priority will be to continue to train and develop skills of the local workforce as the Project advances, which is in line with the Company’s philosophy of creating shared benefits.

Bluestone has initiated training programs with over 500 positions being offered to local communities. Courses range on average from 12 to 18 months in duration and will help prepare for Early Works activities which the Company will be looking to initiate late in 2022. Additional programs will kick off in the first quarter of 2022 with a focus on carpentry, mechanics, technicians, and welding.

In addition to job skills training, the Company has initiated an Adult Education Program with the national government and local educational institutions. The program is aimed at enhancing the social and economic conditions of the communities within the Project area of influence, to improve eligibility for future employment and/or entrepreneurship.

Supplier development programs are underway with the goal of providing the necessary tools for local businesses to become suppliers to the mine. This includes training, technical assistance, and capacity building to support a larger scale operation.

Benefits to Guatemala

The development of the Project is expected to provide substantial economic benefits to Guatemala, both locally and at a national level. Cerro Blanco will be one of the largest foreign direct investments in the county since the Covid-19 pandemic (the “**Pandemic**”) and will be a meaningful contributor to gross domestic product. Some of the direct benefits are listed below:

- It is estimated that during production the mine will contribute about \$160 million annually and approximately \$1.8 billion over the LOM to the Guatemalan economy through direct employee wages, consumables, taxes, and royalties.
- In taxes and royalties alone, the Project is anticipated to generate payments to the Government of approximately \$300 million over the LOM.
- During construction, direct employment including employees of the Company and contractors is estimated to peak at approximately 1,100 persons.
- During operations, direct employment including employees of the Company and contractors is estimated to range between 400 and 500 persons. The Project will generate an additional several thousand indirect jobs to support the mine operations.
- It is expected that the Project will improve local and regional infrastructure through the development of a new access road and bridge.
- In addition to the continuation of existing community investment programs and small business development, economic diversification activities to attract and grow other industries near the Project will be advanced in parallel.

Next Steps

The Company intends to continue with an ambitious work plan to advance Cerro Blanco to production, key activities in 2022 include:

- Commencing detailed engineering and design activities.
- Initiating construction of the bridge and powerline.
- Further advancement of project readiness and training initiatives in preparation of Early Works.
- Advancement of project financing activities.
- Receipt of the Project permit amendment.

The next phase for the Cerro Blanco Project is Detailed Engineering and an Early Works program. The Early Works program will prepare key infrastructure and facilities to support the commencement of the Project development phase which is set for early 2023. The technical team will focus on advancing

engineering in order to prepare procurement and other activities to support an efficient project start-up and mitigate risks of increasing lead times and variable international logistics. Early Works are planned to start in the fourth quarter of 2022.

Comparison to the February 2021 Preliminary Economic Assessment (“PEA”)

The February 2021 PEA presented a scenario when the decision was made to pivot to an open pit development option. The FS outlines many aspects of the Project in more detail that was developed through further engineering, design and test work.

Key differences and approximate impact between the PEA and Feasibility Study are listed below:

- A mine plan optimization process increased mining rates from 18.0 Mtpa to 21.0 Mtpa. The optimization exercise was designed to maximize the NPV of the Project while minimizing plant throughput.
- The updated mine plan increased total recoverable ounces by ~200,000 ounces. Approximately 100,000 ounces are attributable to the increase in Measured and Indicated (“M&I”) mineral resources from the updated resource and infill drill program in 2021 and the 100,000 ounces are a result of the increase in recoveries supported by additional metallurgical testing.
- The mine plan optimization process was effective in decreasing the process plant throughput from 5.0 Mtpa to 4.0 Mtpa for a cost savings of approximately \$20M.
- Further geochemical testwork incorporated into the hydrology model better defined water treatment requirements and costs which resulted in an increase in water treatment costs of \$13M.
- The decision to add a camp, kitchen, and larger maintenance facility were included that added \$20M in capital costs.
- Inflationary pressures led to increases in steel and consumable pricing which are reflected in the updated capital costs. In addition, due to current short-term supply and shipping constraints related to the Pandemic, freight costs increased by \$13M during the capital period.
- Savings of \$16M were realized in construction indirects through revised expat loadings and contingency with additional engineering and detail.
- Increase in owners cost due to a longer ramp up period (5 months), revised headcount and camp costs which resulted in a \$15M increase.

Table 9 - Comparison of 2021 PEA and 2022 Feasibility Study

	PEA	Feasibility Study
Gold price (base case)	\$1,550/oz	\$1,600/oz
Silver price (base case)	\$20.00/oz	\$20.00/oz
Exchange rate (Quetzal to US Dollar)	7.5:1	7.69:1
Exchange rate (CAD to US Dollar)	0.78:1	0.76:1
Peak annual gold production	334,000 ounces	347,000 ounces
Average annual gold production (years 1-4)	277,000 ounces	297,000 ounces
Average annual gold production (LOM)	231,000 ounces	197,000 ounces
Total gold production (LOM)	2,449,000 ounces	2,645,000 ounces
Strip Ratio (w:o)	2.36:1	2.70:1
Average gold head grade	1.60 g/t	1.64 g/t
Average silver head grade	7.27 g/t	7.27 g/t
Average gold recovery	91.0%	93.0%
Average silver recovery	85.0%	84.3%
Nominal Plant Throughput	5.0 Mtpa	4.0 Mtpa
Mine life	11 years	13.7 years

	PEA	Feasibility Study
Operating costs	Mining – \$2.95/tonne mined Processing – \$13.30/tonne milled Site Services – \$3.98/tonne milled G&A – \$2.28/tonne milled	Mining – \$2.53/tonne mined Processing – \$12.97/tonne milled Site Services – \$4.17/tonne milled* G&A – \$3.42/tonne milled
Total operating costs	\$28.78/tonne milled	\$29.55/tonne milled
Cash costs (LOM net credits)	\$570/oz Au	\$560/oz Au
All-in Sustaining Cash Costs (LOM net credits)*	\$642/oz Au	\$629/oz Au
Initial capital (including contingency)	\$548 M	\$572 M
Sustaining capital, including closure costs	\$173 M	\$178 M
Average annual after-tax free cash flow	\$272 M per year (years 1-4)	\$308 M per year (years 1-4)
Total production after-tax free cash flow	\$2.0 B	\$2.3 B
NPV _{5%} (pre-tax)	\$1,115 M	\$1,265 M
IRR (pre-tax)	35%	37%
NPV _{5%} (after-tax)	\$907 M (base case)	\$1,047 M (base case), \$964 M (\$1,550/oz gold)
IRR (after-tax)	28.5% (base case)	30.2% (base case), 28.6% (\$1,550/oz gold)

* Includes rehandling costs associated with the dry stack tailings facility. For the Feasibility Study these costs were captured in mining.

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 scientific and 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
Mathieu Gignac, P. Eng.	G Mining Services Inc.	Project Management, Permitting/Social, CAPEX, OPEX, Economic Analysis
Mathieu Gignac, P. Eng.	G Mining Services Inc.	Mining Methods and LOM Plan
Carl Burkhalter, P.E	NewFields	Tailings Management
Neil Lincoln, P. Eng.	G Mining Services Inc.	Metallurgy, Recovery Methods
Joël Lacelle, P. Eng.	G Mining Services Inc.	Infrastructure
Garth Kirkham, P.Geo.	Kirkham Geosystems Ltd.	Geology, Mineral Resource Estimate

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

Bluestone will be hosting a webinar on Thursday February 24, 2022 at 9:00 am PST.

Conference call and webcast registration details:

Register now [HERE](#) or <https://6ix.com/event/cerro-blanco-pathway-to-production/>

Dial in Details:

Dial-in Number: +1 (312) 248-9348

Dial-in ID: 116713

Dial-in Passcode: 2283

About Bluestone Resources

Bluestone Resources is a Canadian-based precious metals exploration and development company focused on opportunities in Guatemala. The Company's flagship asset is the Cerro Blanco Gold Project, a near surface mine development project located in Southern Guatemala in the department of Jutiapa. The Company released the results of a Feasibility Study for the Project, outlining an asset capable of producing over 300 koz/yr at head grades of +2.0 g/t gold. The Project will produce 2.6 million ounces of gold over the life of mine at an all-in sustaining cost of \$629/oz (as defined per World Gold Council guidelines, less corporate general and administration costs) over an initial 14-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

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

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; management's assessment of plans, projects and intentions with respect to the further development of the Project and future engineering and construction phases; the expected impact of the Project on stakeholder groups; mineral resource estimates; 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; the potential for subsequent assessment of mining, environmental, processing, permitting, taxation, socio-economic and other factors to affect mineral resources; the estimated tonne-per-day recovery volume of the planned open pit operation; the planned use of pit phasing, conventional open pit mining techniques and owner operated machinery; that expectation that the LOM may be extended with continued exploration; measured and indicated mill feed amounts and estimated diluted mill feed to be processed over the LOM from the pit area; planned trucking and crushing operations; anticipated crushing and waste storage locations; estimated open-pit mining dilution; estimated average production profile from mining and stockpiled ore; process plant capacity in tonnes per day of ore; planned processing rate measured in dry tonnes per year and average mill feed grade thereof; estimated diluted gold grade and head grade of mineralized material; process plant design and associated processing methods, including pre-oxidation, leach and carbon-in-pulp absorption circuit elements; expected gold and silver recovery percentages; expected configuration of filtered tailings in dry stack facilities; the Project's anticipated capital development and construction timeline; capital and operating cost estimates; the Company's estimation of VAT amounts and recoverability thereof; estimated all-in cash costs including sustaining CAPEX; advancement of project readiness and training initiatives in preparation of Early Works; planned construction of an access road, bridge and power transmission line in 2022; the Project's expected power draw during steady state operation; the planned facility construction, operations, monitoring, testing, reporting, treatment and recycling in connection with the Project's water management plan; the anticipated approval of a permit amendment application in the Q3 2022; the Company's intention to hire and train local employees and the initiation of training programs; and 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; changes in Project parameters as plans continue to be refined; title matters; 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; risks related to Project working conditions, accidents or labour disputes; 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 and grade 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 commodity prices and 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.

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-GAAP Financial Performance Measures

The Company has included certain non-Generally Accepted Accounting Principles ("GAAP") measures in this news release that are not defined under International Financial Reporting Standards ("IFRS"), including cash costs and AISC per payable ounce of gold sold and per tonne processed. Non-GAAP measures do not have any standardized meaning prescribed under IFRS and, therefore, they may not be comparable to similar measures employed by other companies. The Company believes that these measures, in addition to measures prepared in accordance with GAAP, 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-GAAP 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 GAAP. These measures do not have any standardized meaning prescribed under GAAP, and therefore may not be comparable to similar measures presented by other issuers.

Cash costs

Cash operating costs and cash operating costs per ounce sold are non-IFRS financial measures and ratios. In the gold mining industry, these metrics are common performance measures but do not have any standardized meaning under IFRS. The Company follows the recommendations of the Gold Institute Production Cost Standard. The Gold Institute, which ceased operations in 2002, was a non-regulatory body and represented a global group of producers of gold and gold products. The production cost standard developed by the Gold Institute remains the generally accepted standard of reporting cash operating costs of production by gold mining companies. Cash operating costs include mine site operating costs such as mining, processing and administration, but exclude royalty expenses, depreciation and depletion, share based payment expenses and reclamation costs. Revenue from sales of by-products including silver, lead and zinc reduce cash operating costs. Cash operating costs per ounce sold is based on ounces sold and is calculated by dividing cash operating costs by volume of gold ounces sold. The most directly comparable measure prepared in accordance with IFRS is production costs. Cash operating costs and cash operating costs per ounce of gold sold should not be considered in isolation or as a substitute for measures prepared in accordance with IFRS.

Net free cash flow

The Company calculates net free cash flow by deducting cash capital spending from net cash provided by operating activities. The Company believes that this measure provides valuable assistance to investors and analysts in evaluating the Company's ability to generate cash flow after capital investments and build the cash resources of the Company. The most directly comparable measure prepared in accordance with IFRS is net cash provided by operating activities less net cash used in investing activities.

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.