

Bluestone

RESOURCES INC.

Darren Klinck | President, CEO & Director
Corporate Presentation Q3 2019

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

Forward Looking Statements & Risk Factors

TSXV:BSR OTCQB:BBSRF | 2

This presentation contains “forward-looking information” within the meaning of Canadian securities legislation and “forward-looking statements” within the meaning of the United States Private Securities Litigation Reform Act of 1995 (collectively, “forward-looking statements”). All statements, other than statements of historical fact, that address activities, events or developments that Bluestone Resources Inc. (“Bluestone” or the “Company”) believes, expects or anticipates will or may occur in the future including, without limitation: The conversion of the inferred mineral resources; increasing the amount of measure and indicated mineral resource; The proposed timeline and benefits of further drilling and 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 mine life, production timelines and rates; funding availability; resource estimates; metal or mineral recoveries; metal price assumptions; 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 the Company and information currently available to the Company. 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.

All mineral resource information has been estimated and disclosed in accordance with the definition standards on mineral resources and mineral reserves of the Canadian Institute of Mining, Metallurgy and Petroleum referred to in Canadian Securities Administrators National Instrument 43-101 (“NI 43-101”), which requires disclosure of mineral resource information. U.S. reporting requirements for disclosure of mineral properties are governed by the United States Securities and Exchange Commission Industry Guide 7, which sets forth substantially different guidelines than NI 43-101.

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

This presentation does not constitute an offer to sell or a solicitation of an offer to buy any of the securities in the United States. The securities have not been and will not be registered under the United States Securities Act of 1933, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Compliance with NI 43-101

Certain information in this presentation is derived from the results of a Feasibility Study of the Cerro Blanco Project effective January 29, 2019, prepared in accordance with NI 43-101. A copy of the Feasibility Study is available on the SEDAR website under the Company’s profile at www.sedar.com.

Risk Factors

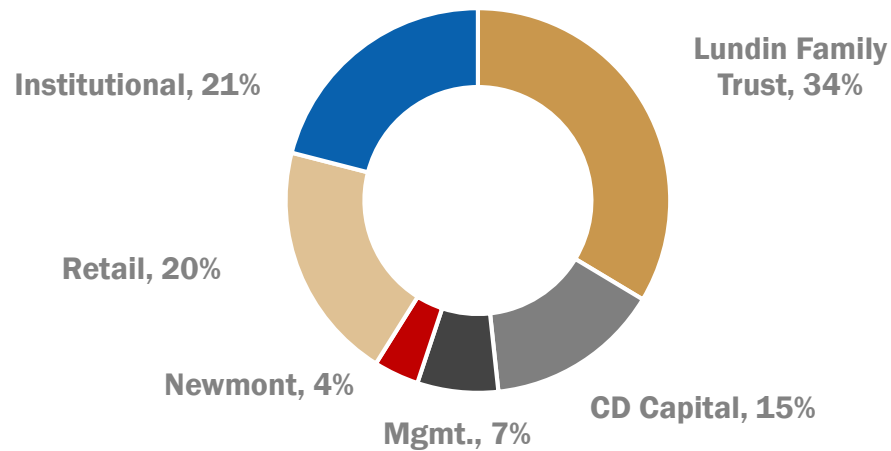
As a mineral resource development company, Bluestone is engaged in a highly speculative business that involves a high degree of risk and is frequently unsuccessful. In addition to the information disclosed elsewhere in this presentation, readers should carefully consider the risks and uncertainties described in the Company’s Amended and Restated Annual Information Form date December 31, 2018 which is available at www.sedar.com. These risk factors do not necessarily comprise all of the risks to which Bluestone is or will be subject.

Corporate Structure

Capital Structure – Sept 3, 2019

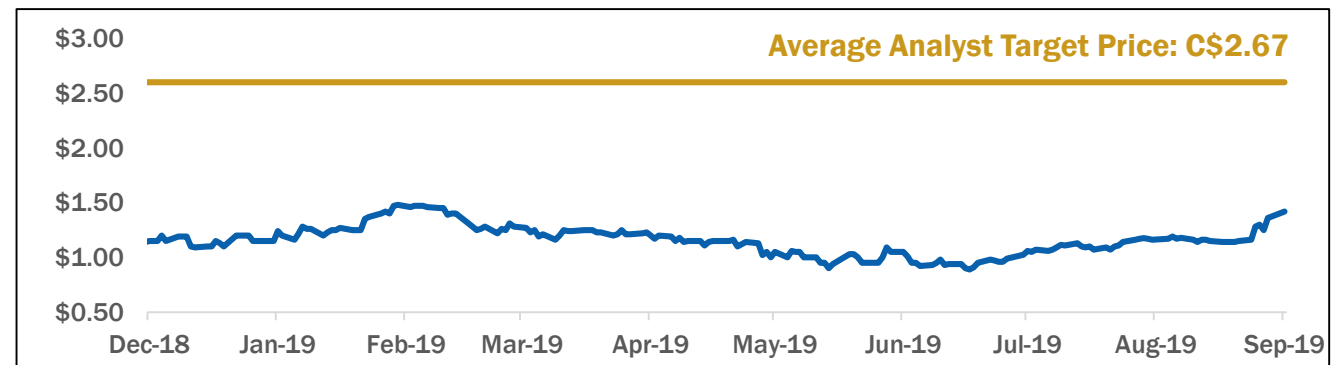
Listing	TSXV:BSR OTCQB:BBSRF
Share Price	C\$1.35
Shares Outstanding	81,792,000
Options	7,795,000
Warrants¹	14,149,961
Cash²	~US\$9.0 M
Enterprise Value	~US\$74 M

Major Shareholders



Analyst Coverage (Avg. target price C\$2.67)

C\$3.00	Kevin MacKenzie	CANACCORD Genuity
C\$2.70	Tyron Breytenbach	CORMARK SECURITIES INC.
C\$2.55	Ian Parkinson	GMP
C\$2.75	Kerry Smith	HAYWOOD CAPITAL MARKETS
C\$2.90	John Sclodnick	NATIONAL BANK
C\$2.40	Jack Garman	Pareto Securities
C\$2.40	Phil Ker	PI FINANCIAL experience. driven.



1. Warrants: 3.6 M @ \$0.35 (Jun 2020) and 1.5 M @ \$2.00 (Jun 2019) and 8.9 M @ \$1.65 (Mar 2022), Options @ \$1.25 and \$1.50
 2. Estimate as of Sept 3, 2019

Cerro Blanco Highlights

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Permitted

Exploitation mining license with underground mining activities occurring

High Grade¹

Resource of 1.2 Moz at 10.1 g/t gold (M&I Category) and 0.4 Moz (Inferred) | infill drilling underway

1st Quartile AISC¹

Feasibility Study complete | robust economics, rapid payback, AISC of \$579/oz Au, Avg. prod. of 146 koz Au/yr

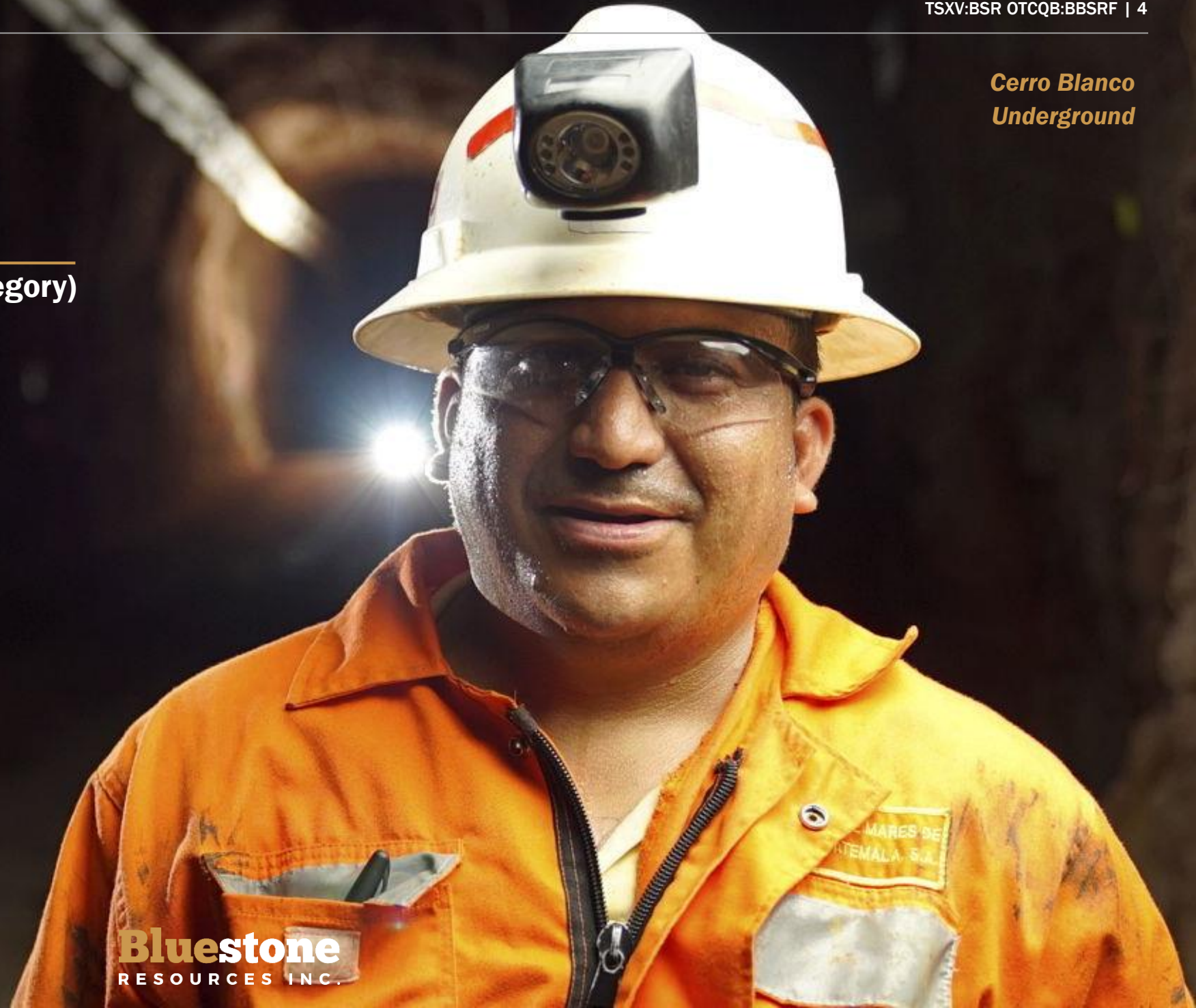
Infrastructure

US\$230 M spent to date on the project, 3 km of underground development

Emerging Gold Producer

Construction anticipated to start next year

*Cerro Blanco
Underground*



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1. Feasibility Study on the Cerro Blanco Gold project as disclosed in the January 29, 2019 press release. Production based on the first 3 years of mine life.

Cerro Blanco Gold Project



Establishing a Track Record of Results

Picked up by 7 analysts, average target price of C\$2.67/share

Anticipating to initiate construction next year



Acquisition

May 2017



Drill Program

20,000 m



Feasibility Study

January 2019

Robust economics

AISC \$579/oz



Geology

Updated



Resource

Increased
by 16%



Phase II drill
program

UG mining
activities

Project financing
underway

Robust economics with first quartile costs and rapid payback

Feasibility Study Highlights¹

Peak Production 149 koz Au/yr	Avg. Production 146 koz Au/yr²
Initial Capex US\$196 M	Avg. AISC US\$579/oz Au
NPV_{5%} US\$241 M	IRR 34%

Operating Summary

Initial Mine Life	8 years
Tonnes Milled	3.4 Mt
LOM Avg. Grade	8.49 g/t Au 32.24 g/t Ag
Recovery	96% Au 85% Ag
Avg. Throughput	1,250 tpd
LOM Total Production	902 koz
LOM Avg. Production	113 koz/yr Au
Avg. Production (Yr. 1 - 3)	146 koz Au

Cost Summary

LOM Avg. Cash Costs (net credits)	US\$424/oz Au
LOM Avg. AISC (net credits)	US\$579/oz Au
Initial Capex	US\$196 M
Sustaining Capex	US\$140 M

Economics

	US\$1,250	US\$1,500
After-Tax NPV _{5%}	US\$241 M	US\$392 M
After-Tax IRR	34.0%	49.0%
After-Tax Pay-Back	2.1 years	1.6 years

1. Feasibility Study as disclosed in the January 29, 2019 press release.

2 Average gold production in the first three years of operations.

All numbers in US dollars unless otherwise stated, base case shown at \$1,250/oz gold and \$18.00/oz Ag.

Average annual production of 146,000 oz Au/yr over the first three years

Processing

- 1,250 tpd
- Avg. gold recovery 96%
- Avg. head grade of 8.5 g/t Au

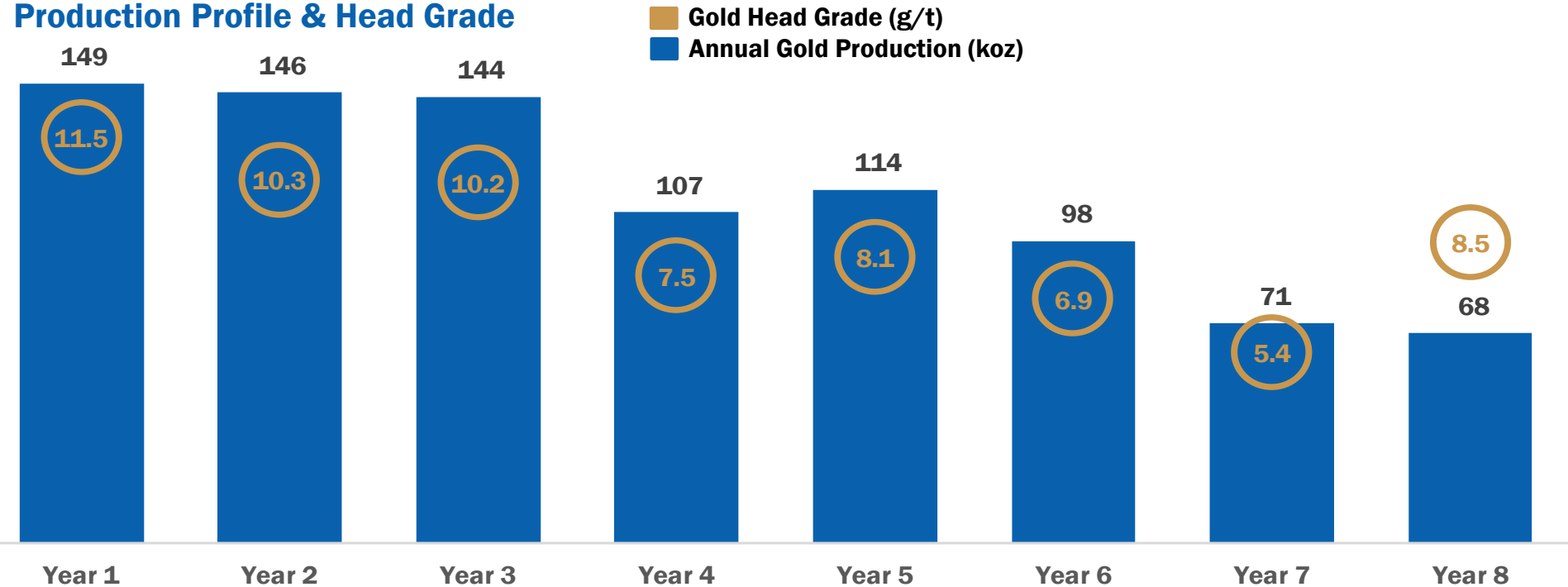
Production Profile

- Avg. annual production of 113 koz/yr Au LOM
- Total production of 902 koz Au
- Initial 8 year mine life

Mine Life Extension

- Infill drilling program currently underway to convert current Inferred resources (360 koz)
- Further targeting resource extension along known veins that continue outside of the current resource envelope

Production Profile & Head Grade



Infill drill program underway to convert Inferred resources



Strong Cash Generation

Average annual production of 146,000 oz Au/yr over the first three years

113,000 oz

LOM Avg. Annual Au Production

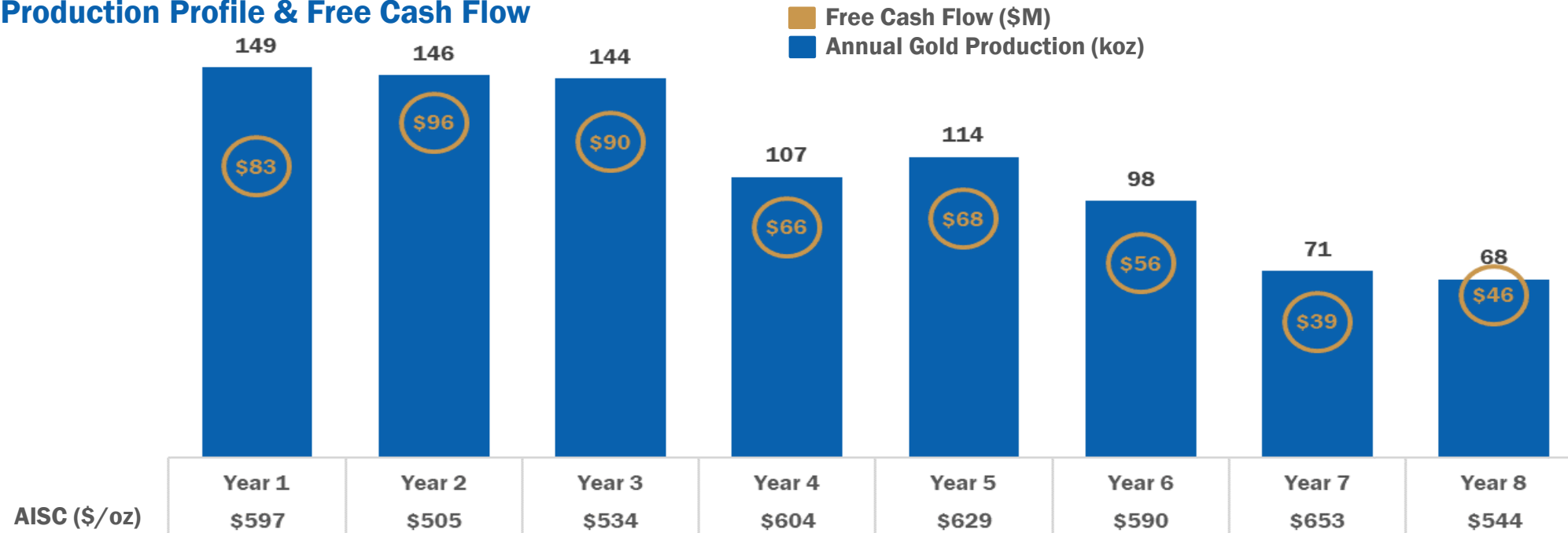
\$90 Million

Avg. Annual Free Cash Flow¹
Increases to **\$110 M/yr** at
US\$1,400/oz

\$538 Million

LOM Free Cash Flow²

Production Profile & Free Cash Flow



Infill drill program underway to convert Inferred resources

1. Based on the first three years of production at US\$1,250/oz.
2. Unlevered basis at US\$1,250/oz.
Source: . Feasibility Study as disclosed in the January 29, 2019 press release.

Mineral Reserves and Resources

Resource to reserve conversion was ~ 80%

Mineral Reserve Estimate

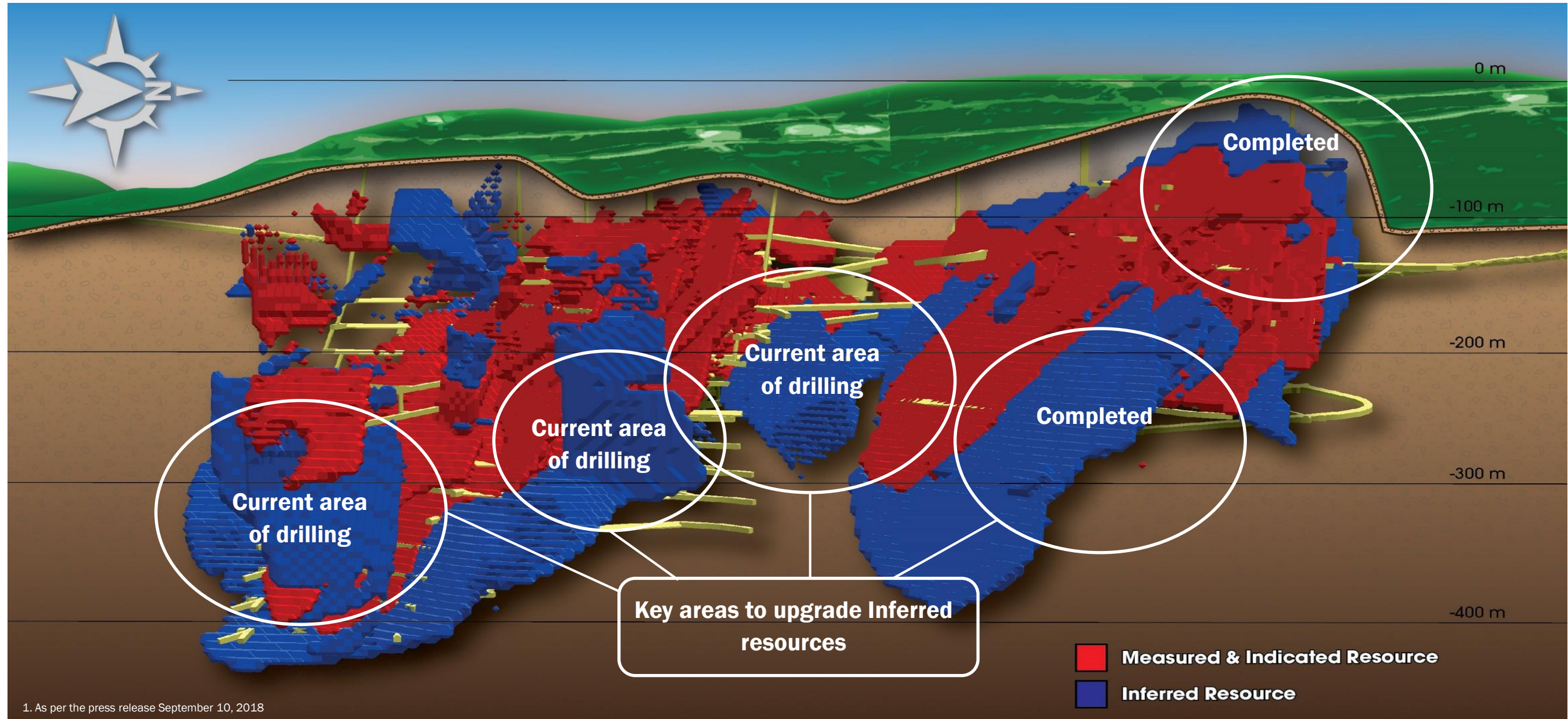
3.5 g/t Au Cut-Off	Tonnes (000s t)	Grade		Reserve	
		Gold (g/t)	Silver (g/t)	Gold (koz)	Silver (koz)
Proven	313	8.3	31.4	83	315
Probable	3,131	8.5	32.3	857	3,254
Total	3,444	8.5	32.2	940	3,570

Mineral Resource Estimate

3.5 g/t Au Cut-Off	Tonnes (000s t)	Grade		Resource	
		Gold (g/t)	Silver (g/t)	Gold (Moz)	Silver (Moz)
Measured	290	10.3	39.1	0.10	0.4
Indicated	3,426	10.0	37.8	1.11	4.2
M&I Total	3,716	10.1	37.9	1.20	4.5
Inferred	1,373	8.1	23.6	0.36	1.0

Exploration

Current drill program underway is targeting the conversion of Inferred resources (~360,000 oz) outlined in the 2018 updated resource estimate¹ and new resources along veins in the mine plan that extend outside of the current resource envelope



1. As per the press release September 10, 2018

- **Opportunity to further enhance the project through conversion of ~200 to 250 koz Au of Inferred resources to Measured & Indicated resources**
 - **Infill drill program underway**
 - **Completed drilling on the North Zone**
- **Resource update on the North Zone anticipated in Q4 2019**
 - **Targeting conversion of ~100 koz Au**
- **Drill program initiated on the South Zone**
 - **Update South zone resource next year**

Targeting A Project Financing Package Q4 2019

Compelling Opportunity

Permitted

Strong shareholder support

High-grade

Compelling economics

Exploration Potential

Robust Feasibility Study

Generate more free cash flow than the current mkt cap. of the company in the first year of production

