

## Aura Minerals to Acquire Bluestone Resources

VANCOUVER, British Columbia and ROAD TOWN, British Virgin Islands, Oct. 28, 2024 -- **Bluestone Resources Inc. ("Bluestone") (TSXV:BSR | OTCQB:BBSRF)** and **Aura Minerals Inc. ("Aura") (TSX:ORA | B3:AURA33 | OTCQX:ORAAF)**, are pleased to announce that they have entered into a definitive arrangement agreement (the "Arrangement Agreement") pursuant to which Aura will acquire all of the issued and outstanding common shares of Bluestone (the "Bluestone Shares") by way of a plan of arrangement under the Business Corporations Act (British Columbia) (the "Arrangement" or "Transaction").

### Transaction Highlights

- Aura will be acquiring a 100% interest in Bluestone's Cerro Blanco gold project ("Cerro Blanco") and the adjacent Mita Geothermal project ("Mita Geothermal").
- Bluestone valued at approximately C\$ 0.50 per Bluestone Share, representing a 51% premium to spot and a 40% premium to the volume weighted average price ("VWAP") of the Bluestone Shares on the TSX Venture Exchange (the "TSXV") for the 25 day period ending October 24<sup>th</sup>, 2024, to be paid in a combination of cash or Aura shares on closing and a contingent value right ("CVR"), representing a total enterprise value of up to US\$74.3 million.<sup>i</sup>
- Pursuant to the Transaction, for each Bluestone share held, Bluestone shareholders will be able to elect to receive upfront consideration on closing consisting of either: (i) a cash payment of C\$0.287; or (ii) 0.0179 of an Aura common share, subject to proration; or a combination of both. The upfront consideration will be subject to maximum aggregate Aura shares issuable of 1,363,272 (representing 50% of the upfront consideration).
- Bluestone shareholders will also receive a CVR providing the holder thereof with the potential to receive a cash payment of up to an aggregate amount of C\$0.2120, for each Bluestone share, payable in three equal annual installments upon Cerro Blanco achieving commercial production.
- The Transaction was unanimously approved by Bluestone's Board of Directors and by Aura's Board of Directors.
- The Transaction will be subject to the approval by Bluestone securityholders at a special meeting of Bluestone securityholders and subject to the receipt of certain regulatory, court, TSXV and Toronto Stock Exchange ("TSX") approvals, and other closing conditions customary in transactions of this nature.

Cerro Blanco is a near surface high grade gold deposit, in Jutiapa, Guatemala. An N.I. 43-101 technical report on the project was produced and filed in April 2022. The Mita Geothermal project is an advanced-stage, renewable energy project licensed to produce up to 50 megawatts of power. As previously disclosed by Bluestone, on June 17, 2024, Bluestone received a notice from the Guatemalan Ministry of Environment ("MARN") challenging the approval procedure that approved the surface mining method for Cerro Blanco. Bluestone has the view that environmental permit amendment met and exceeded the terms of reference provided by the MARN, and it adhered to Guatemalan law. Aura intends, upon closing of the transaction, to evaluate the alternatives for a future potential development of Cerro Blanco.

**Rodrigo Barbosa, CEO of Aura, stated,** "Cerro Blanco stands as a world-class deposit that has encountered both social and institutional hurdles. We are confident that, along the next few years, by integrating it with Aura's 360 vision, we can refine our strategic approach to make Cerro Blanco another flagship project that exemplifies the utmost respect for social and environmental responsibilities while delivering value to all stakeholders."

**Peter Hemstead, President, CEO, and Board Chair of Bluestone Resources, added:** "After a fulsome Strategic Review Process, the acquisition by Aura provides the best outcome for Bluestone shareholders and to further advance the Cerro Blanco gold project and Mita geothermal project. The Transaction presents shareholders with a choice to maintain exposure to Cerro Blanco through a proven Latin America mine developer and producer with a strong balance sheet or elect cash. Aura is a well established Latin American producer with a track record of development and has the financial capacity to advance and unlock potential value from Cerro Blanco."

### Benefits to Bluestone Shareholders

- Total consideration premium of 40% to the 25-day VWAP of Bluestone Shares on the TSXV as of October 24, 2024.
- Partnership with an established multi-mine producer and developer with last twelve-month production of 270,000 gold equivalent ounce ("GEO"), of which about 25% from copper production, and with a plan to achieve 450,000 GEO with a common operating philosophy and record of fiscal discipline, high ESG standards and a proven history of shareholder value creation.
- Aura has seamlessly integrated its operations in the local communities in which it operates. Aura has developed and is operating mines in Honduras, Mexico, and Brazil. It owns a significant operation 230 km from Cerro Blanco in Honduras, which provides a deep understanding of the local environment, a crucial factor for the successful development of the Cerro Blanco ore body.
- Bluestone shareholders have the option to receive either (i) a cash payment of C\$0.287 for each Bluestone Share held;

- or (ii) 0.0179 of an Aura common share for each Bluestone Share held, subject to pro-ration; or a combination of both.
- The CVR consideration provides additional exposure to the development of Cerro Blanco in the form of future contingent cash payments subject to Cerro Blanco achieving commercial production thresholds.
- Aura has the financial capacity to finance the development of Cerro Blanco with minimal or no future dilution. Its Latin American experience, strong balance sheet, and robust free cash flow generation support the company's development and exploration initiatives while still paying dividends.
- Meaningful ongoing exposure to future value catalysts across the combined asset portfolio, including Aura's assets and Bluestone's Cerro Blanco gold project.

### **Benefits to Aura Shareholders**

- Reinforces Aura's growth pipeline to go beyond 450,000 GEO in the next few years, including a mix of gold and copper (in the last twelve months, about 25% Aura's revenues came from copper production), with a new potential flagship asset in line with Aura's strategy to continue to build its business.
- Potential for a significant increase in the Mineral Resources base of Aura.
- Potential synergies as Cerro Blanco is approximately 230 km from the Minosa operating mine in Honduras and Aura's extensive Latin American presence and knowledge.
- Aura to work in partnership with local stakeholders to develop Cerro Blanco.

### **Transaction Details**

The Transaction will be completed pursuant to a court-approved plan of arrangement under the *Business Corporations Act* (British Columbia). The Transaction will be subject to the approval of: (i) at least 66-2/3% of the votes cast by holders of Bluestone Shares; (ii) 66-2/3% of the votes cast by holders of Bluestone Shares and options, voting together as a single class; and (iii) "minority approval" in accordance with Multilateral Instrument 61-101, at a special meeting of Bluestone securityholders to be held to consider the Transaction (the "Special Meeting"). In addition to Bluestone securityholder approval, the Transaction is also subject to the receipt of certain regulatory, court, TSXV and TSX approvals, and other closing conditions customary in transactions of this nature.

The Arrangement Agreement includes customary deal protections, including a non-solicitation covenant on the part of Bluestone (subject to customary fiduciary out provisions) and a right for Aura to match any competing offer that constitutes a superior proposal. The Arrangement Agreement includes a termination fee of US\$2 million, payable by Bluestone under certain circumstances.

All officers and directors of Bluestone, along with Nemesia S.à.r.l. and CD Capital Natural Resources Fund III LLP, owning in aggregate approximately 39% of the outstanding Bluestone Shares, have entered into voting support agreements pursuant to which they have agreed, among other things, to vote their Bluestone Shares in favour of the Transaction.

Full details of the Transaction will be included in the management information circular of Bluestone, expected to be mailed to shareholders and filed on [www.sedarplus.ca](http://www.sedarplus.ca). Closing is expected to occur in January 2025, subject to satisfaction of the conditions to closing.

### **Board of Directors and Special Committee Recommendations**

The Arrangement Agreement has been unanimously approved by the Board of Directors of Bluestone, following the unanimous recommendation of a Special Committee of independent directors of Bluestone (the "Special Committee"). Bluestone's Board of Directors unanimously recommend that the Bluestone securityholders vote in favour of the Transaction.

GenCap Mining Advisory Ltd. has provided an opinion to the Special Committee and Board of Directors of Bluestone, stating that, as of the date of such opinion, and based upon and subject to the assumptions, limitations and qualifications stated in such opinion, the consideration to be paid under the Transaction is fair, from a financial point of view to the Bluestone shareholders.

### **Advisors and Counsel**

GenCap Mining Advisory Ltd. is acting as financial advisor to the Special Committee. Blake, Cassels & Graydon LLP is acting as Canadian legal advisor to Bluestone and Paul, Weiss, Rifkind, Wharton & Garrison LLP is acting as U.S. legal advisor to Bluestone. Stikeman Elliott LLP is acting as legal advisor to the Special Committee.

Gowling WLG (Canada) LLP is acting as Canadian legal advisor to Aura and Dorsey & Whitney LLP is acting as U.S. legal advisor to Aura.

### **About Aura Minerals Inc.**

Aura is focused on mining in complete terms – thinking holistically about how its business impacts and benefits every one of our stakeholders: our company, our shareholders, our employees, and the countries and communities we serve. We call this 360 Mining. Aura is a mid-tier gold and copper production company focused on operating and developing gold and base metal projects in the Americas. The Company has 4 operating mines including the Aranzazu copper-gold-silver mine in Mexico, the Apoena (EPP) and Almas gold mines in Brazil, and the Minosa (San Andres) gold mine in Honduras. The Company's development projects include Borborema, currently in construction and Matupá both in Brazil. Aura has unmatched exploration potential owning over 630,000 hectares of mineral rights and is currently advancing multiple near-mine and regional targets

along with the Aura Carajas copper project in the prolific Carajás region of Brazil.

### **About Bluestone Resources Inc.**

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 trades under the symbol "BSR" on the TSX Venture Exchange and "BBSRF" on the OTCQB.

### **Forward-Looking Statements**

This news release contains certain "forward-looking information" and "forward-looking statements", as such terms are defined under applicable securities laws (collectively, "forward-looking statements"). Forward-looking statements can be identified by the use of words and phrases such as "plans", "expects", "is expected", "budget", "scheduled," "estimates", "forecasts", "intends", "anticipates" or "believes" or variations (including negative variations) of such words and phrases, or state that certain actions, events or results "may", "could", "would", "might" or "will" be taken, occur or be achieved. Forward-looking statements herein include, but are not limited to, the expected benefits of the Arrangement, statements with respect to the consummation and timing of the Transaction; approval by Bluestone's shareholders; the satisfaction of the conditions precedent of the Transaction; timing, receipt and anticipated effects of court, regulatory and other consents and approvals and the strengths, characteristics and potential of the Transaction. These forward-looking statements are based on current expectations and are subject to known and unknown risks, uncertainties and other factors, many of which are beyond Aura's ability to predict or control and could cause actual results to differ materially from those contained in the forward-looking statements. Specific reference is made to Aura's most recent Annual Information Form on file with certain Canadian provincial securities regulatory authorities for a discussion of some of the factors underlying forward-looking statements, which include, without limitation, volatility in the prices of gold, copper and certain other commodities, changes in debt and equity markets, the uncertainties involved in interpreting geological data, increases in costs, environmental compliance and changes in environmental legislation and regulation, interest rate and exchange rate fluctuations, general economic conditions and other risks involved in the mineral exploration and development industry. Readers are cautioned that the foregoing list of factors is not exhaustive of the factors that may affect the forward-looking statements.

All forward-looking statements herein are qualified by this cautionary statement. Accordingly, readers should not place undue reliance on forward-looking statements. The Company undertakes no obligation to update publicly or otherwise revise any forward-looking statements whether as a result of new information or future events or otherwise, except as may be required by law. If the Company does update one or more forward-looking statements, no inference should be drawn that it will make additional updates with respect to those or other forward-looking statements.

<sup>i</sup> Estimated net debt on transaction close of US\$20 million.

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