Cascabel Exploration Update – Alpala Mineral Resource update expected in December 2018

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OTTAWA, Oct. 05, 2018 - Cornerstone Capital Resources Inc. (“Cornerstone” or “the Company”) (TSXV:CGP) (Frankfurt:GWN) (Berlin:GWN) (OTC:CTNXF) is pleased to announce the following update on the exploration program at its Cascabel copper-gold porphyry joint venture exploration project in northern Ecuador, in which the Company has a 15% interest financed through to completion of a feasibility study, plus 10% of the shares of joint venture partner and project operator SolGold plc, for a total direct and indirect interest in Cascabel of approximately 23%.

Figures referred to in this news release can be seen in PDF format by accessing the version of this release on the Company’s website (www.cornerstoneresources.com) or by clicking on the link below:

http://www.cornerstoneresources.com/i/pdf/NR18-28Figures.pdf.

HIGHLIGHTS:

- With over 124,000m of drill hole assays now received, a further 70,400m of drilling has been added to the existing Alpala Maiden Resource (MRE)[1] during 2018 of 2.3 million tonnes (Mt) copper (Cu) and 6.0 million ounces (Moz) gold (Au) in the indicated category and 2.9 Mt Cu and 6.3 Moz Au in the inferred category.
- Approximately 32,000m of further drilling is scheduled to be completed at Alpala in 2018, further adding to the MRE update.
- Updated MRE projected for completion and release in December 2018.

- Recent drilling highlights include:
  - Hole 55R-D1: 870m @ 0.72% copper equivalent (“CuEq”[2]) (true width[3] 348m @ 0.50% Cu, 0.36 g/t Au) from 706m depth, including:
    - 378m @ 1.17% CuEq (true width 151m);
  - Hole 58-D1: 984m @ 1.08% CuEq (true width 394m @ 0.73% Cu, 0.56 g/t Au) from 684m depth, including:
    - 456m @ 1.71% CuEq (true width 182m); and
  - Hole 66: 634m @ 1.25% CuEq (true width 254m @ 0.74% Cu, 0.81 g/t Au) from 870m depth, including:
    - 301m @ 1.88% CuEq (true width 121m), and
    - 174m @ 2.46% CuEq (true width 70m), open at depth.
- Hole 66 intersects rich porphyry style mineralized zone containing visible gold.
- Hole 64 intersects a new zone at Alpala NW containing primary bornite[4] mineralization.
- Assay turnaround reduced to 3 weeks.
- Internal geology, grade and resource modelling indicates potential for significant growth in total metal inventory at Alpala at all cut-off grades.

Commenting on today’s release, Cornerstone Vice President, Exploration, Yvan Crepeau, said: *“Since the release of the MRE in January 2018, drilling has been very successful, intersecting high grade copper-gold mineralization, expanding the size and increasing the overall grade of the high grade core zone. Furthermore, the recent intercept of bornite-chalcopyrite mineralization in hole 64 may be an indication of another porphyry center and/or that mineralized zones could be connected at depth as suggested by the 3D magnetic model”.*

FURTHER INFORMATION:

Cascabel is located in northwestern Ecuador in an under-explored northern section of the Andean Copper Belt, 60 km northeast of the undeveloped inferred resource of 982 million tons at 0.89% Cu Llurimaga

(formerly Junin) copper project[5] (Figure 1).

An updated MRE is expected to provide a significantly greater resource base for the project upon completion of approximately 32,000m of further planned drilling to December 31, 2018. JV Partner and project operator SolGold plc will assay 100% of metres drilled (148,000m) at the project, with 24,000m of drilling currently awaiting assay results. The assay backlog is set to clear before December 2018.

Highlights of assay results expected to add to the existing MRE at Alpala are detailed in the Table below:

Hole ID	DepthFrom m	DepthTo m	Interval m	True width m	Cu %	Au g/t	*CuEq %*	Cut-off *(CuEq%)*
CSD-17-037	1380	2222	842	336.8	0.35	0.15	*0.44*	0.20
CSD-18-036-D1	1574	2226.7	652.7	261.1	0.34	0.11	*0.41*	0.20
CSD-18-041-D1	914	1827.7	913.7	365.5	0.47	0.40	*0.72*	0.10
CSD-18-041-D1	1282	1668	386	154.4	0.70	0.79	*1.19*	0.50
CSD-18-041-D1	1346	1598	252	100.8	0.86	1.07	*1.53*	1.00
CSD-18-041-D1-D2	926	1779	853	341.2	0.52	0.62	*0.91*	0.20
CSD-18-041-D1-D2	1172	1512	340	136.0	0.78	1.21	*1.54*	na
CSD-18-041-D1-D2	1310	1456	146	58.4	1.04	2.03	*2.32*	1.00
CSD-18-042	448	1176	728	291.2	0.75	0.50	*1.06*	0.30
CSD-18-042	620	1124	504	201.6	0.92	0.58	*1.28*	0.40
CSD-18-042-D2	312	1110	798	319.2	0.32	0.24	*0.47*	0.10
CSD-18-042-D2	312	614	302	120.8	0.45	0.50	*0.76*	0.20
CSD-18-043	600	1574	974	389.6	0.48	0.37	*0.71*	0.10
CSD-18-043	932	1410	478	191.2	0.64	0.61	*1.02*	0.50
CSD-18-049	850	1700	850	340.0	0.49	0.28	*0.66*	0.10
CSD-18-049	872	1316	444	177.6	0.60	0.38	*0.83*	0.30
CSD-18-051	440	1486	1046	418.4	0.35	0.21	*0.48*	0.10
CSD-18-051	826	1302	476	190.4	0.53	0.36	*0.75*	0.30
CSD-18-055R	542	1604	1062	424.8	0.69	0.52	*1.02*	0.20
CSD-18-055R	1042	1590	548	219.2	0.86	0.80	*1.36*	0.30
CSD-18-055R	1306	1526	220	88.0	1.22	1.34	*2.07*	0.60
CSD-18-055R-D1	706	1575.6	869.6	347.8	0.50	0.36	*0.72*	0.10
CSD-18-055R-D1	1060	1438	378	151.2	0.75	0.67	*1.17*	0.40
CSD-18-055R-D1	1140	1252	112	44.8	1.07	1.05	*1.73*	0.80
CSD-18-057	500	1478	978	391.2	0.64	0.95	*1.24*	0.20
CSD-18-057	814	1376	562	224.8	0.85	1.37	*1.72*	0.40
CSD-18-057	892	1196	304	121.6	1.15	2.18	*2.52*	1.00
CSD-18-058	636	1702	1066	426.4	0.43	0.23	*0.58*	0.20
CSD-18-058	1040	1288	248	99.2	0.72	0.51	*1.04*	0.70
CSD-18-058-D1	684.15	1668	983.85	393.5	0.73	0.56	*1.08*	0.10
CSD-18-058-D1	1178	1634	456	182.4	1.10	0.96	*1.71*	0.50
CSD-18-058-D1	1178	1516	338	135.2	1.17	1.08	*1.85*	0.80
CSD-18-060	796	1122	326	130.4	0.84	0.37	*1.08*	0.10
CSD-18-060	802	996	194	77.6	1.28	0.54	*1.61*	0.30
CSD-18-061	830	1328	498	199.2	0.33	0.15	*0.43*	na
CSD-18-062	1056	1554	498	199.2	0.46	0.41	*0.72*	0.20
CSD-18-062	1136	1410	274	109.6	0.58	0.62	*0.97*	0.50
CSD-18-063	640	1314	674	269.6	0.36	0.16	*0.46*	0.20
CSD-18-066	870	1503.8	633.8	253.5	0.74	0.81	*1.25*	0.20
CSD-18-066	1202	1503.8	301.8	120.7	1.06	1.30	*1.88*	0.70
CSD-18-066	1330	1503.8	173.8	69.5	1.36	1.73	*2.46*	1.00

Data Aggregation Method: Intercepts reported using copper equivalent cutoff grades with up to 10m internal dilution, excluding bridging to a single sample. Minimum intersection length 50m. Gold Conversion Factor of 0.63 calculated from a copper price of US$3.00/lb and a gold price US$1300/oz. True widths of downhole interval lengths are estimated to be approximately 25% to 70%.

SolGold is encouraged by the outstanding infill drilling results, which are expected to expand and enrich the existing high-grade resource, and about notable drill hole results outside the previous resource area, such as Hole 64, which last week intersected primary bornite mineralization deep at Alpala NW. The discovery of primary bornite-chalcopyrite assemblages with magnetite and in the absence of pyrite, is indicative of the high temperature core many porphyry systems, and warrants follow up drill testing and may lead to unearthing further evidence of a second system adjacent to the Alpala Deposit (Figure 2).

Hole 66 extended the high grade core of the deposit towards the southeast at depth and intersected a zone of visible gold associated with porphyry style chalcopyrite and bornite mineralization. Very high gold grades in the core and periphery of the deposit at Alpala can be associated with related to intermediate- to high-sulfidation state sulfide-mineral assemblage associated with a phyllic alteration over-print, and is a feature common in many of the world’s richest porphyry deposits, like Oyu Tolgoi, Grasberg and Wafi-Golpu (Figure 3).

Drill hole location plans showing resource shells from the existing December 2017 Mineral Resources Estimate against current in-house models highlight resource growth predicted at cut-off grades of 0.15%CuEq and >1.5%CuEq (Figures 4 and 5).

Section (A-A’), looking northeast, through the high-grade core of the deposit (Figure 6), shows an example of infill drilling resulting in a potentially more robust, richer high-grade core of the Alpala Deposit, as exemplified by:

- Hole 57 high grade intercept: 304m @ 2.52% CuEq (1.15% Cu, 2.18g/t Au) (from 892m depth);
- Hole 41-D1-D2 high grade intercept: 340m @ 1.54% CuEq (0.78% Cu, 1.21g/t Au) (from 1172m depth);
- Hole 41-D1 high grade intercept: 252m @ 1.53% CuEq (0.86% Cu, 1.07g/t Au) (from 1346m depth).

A total of 12 drill rigs are currently in operation on the project, with the entire fleet moved back to Alpala in order to expedite drilling ahead of planned December Mineral Resource Estimate. Secondary targets at Cascabel, including Aguinaga, Trivinio, and Moran are planned for drill testing as the Alpala resource development program allows.

The Company is currently changing out 2 track mounted drill rigs for man-portable drill rigs, with the first replacement man-portable now mobilized to site. The Company is increasing its man-portable portion of the Cascabel drill fleet to increase flexibility in rig movements and siting, as well achieving a higher metre rate at lower cost.

During September 2018, BHP Billiton purchased a 6% stake in SolGold. Commenting at the time of the acquisition, BHP Billiton’s CEO noted that this investment would give BHP exposure to a high quality copper exploration project in Ecuador, which is a highly prospective location for BHP, and that, consistent with their positive long-term outlook, copper is a key exploration focus for BHP as they seek to replenish their resource base.

About the Cascabel Joint Venture with SolGold:

Exploraciones Novomining S.A. (“ENSA”), an Ecuadorean company owned by SolGold plc and Cornerstone, holds 100% of the Cascabel concession. Subject to the satisfaction of certain conditions, including SolGold’s fully funding the project through to feasibility, SolGold plc will own 85% of the equity of ENSA and Cornerstone will own the remaining 15% of ENSA. SolGold is funding 100% of the exploration at Cascabel and is the operator of the project. SolGold shall receive 90% of Cornerstone’s distribution of earnings or dividends from ENSA to which Cornerstone would otherwise be entitled until such time as the amounts so received equal the aggregate amount of expenditures incurred by SolGold that would have otherwise been payable by Cornerstone, plus interest thereon from the dates such expenditures were incurred at a rate per annum equal to LIBOR plus 2 per cent until such time as SolGold is fully reimbursed.

Logging, sampling, assaying and reporting

Holes referred to in this release were or are being drilled using HTW, NTW, NQ and BQ core sizes (respectively 7.1, 5.6, 4.8 and 3.7 cm diameter). Geotechnical measurements such as core recovery, fracturing, rock quality designations (RQD’s), specific gravity and photographic logging are performed systematically prior to assaying. The core is logged, magnetic susceptibility measured and key alteration minerals identified by experienced loggers and sometimes using an on-site portable spectrometer. Core is then sawed in half at the ENSA core logging facility, and half of the core is delivered by ENSA employees for preparation at ALS Minerals Laboratories (ALS) sample preparation facility in Quito. Core samples are prepared crushing to 70% passing 2 mm (10 mesh), splitting 250 g and pulverizing to 85% passing 75 microns (200 mesh) (ALS code CRU-31, SPL21 and PUL-32). Prepared samples are then shipped to ALS in Lima, Peru where samples are assayed for a multi-element suite (ALS code ME-MSP61, 1g split, 4-acid digestion, ICP-MS finish). Over limit results for Ag (> 100 g/t) and Cu, (> 1%) are systematically re-assayed (ALS code Ag-AA62, 4-acid digestion, AAS finish). Gold is assayed using a 30 g split, Fire Assay (FA) and AA finish (ALS code Au-AA23).

Quality assurance / Quality control (QA/QC)

The ALS Laboratory is a qualified assayer that performs and makes available internal assaying controls. Duplicates, certified blanks and standards are systematically used (1 control sample every 15-20 samples). Rejects, a 100 g pulp for each core sample and the remaining half-core are stored for future use and controls.

Qualified Person:

Yvan Crepeau, MBA, P.Geo., Cornerstone’s Vice President, Exploration and a qualified person in accordance with National Instrument 43-101, is responsible for supervising the exploration program at the Cascabel project for Cornerstone and has reviewed and approved the information contained in this news release.

About Cornerstone:

Cornerstone Capital Resources Inc. is a mineral exploration company with a diversified portfolio of projects in Ecuador and Chile, including in the Cascabel gold-enriched copper porphyry joint venture in north west Ecuador.

Further information is available on Cornerstone’s website: www.cornerstoneresources.com and on Twitter. For investor, corporate or media inquiries, please contact:

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Cautionary Notice:
This news release may contain ‘Forward-Looking Statements’ that involve risks and uncertainties, such as statements of Cornerstone’s plans, objectives, strategies, intentions and expectations. The words “potential,” “anticipate,” “forecast,” “believe,” “estimate,” “expect,” “may,”

“project,” “plan,” and similar expressions are intended to be among the statements that identify ‘Forward-Looking Statements.’ Although Cornerstone believes that its expectations reflected in these ‘Forward-Looking Statements’ are reasonable, such statements may involve unknown risks, uncertainties and other factors disclosed in our regulatory filings, viewed on the SEDAR website at www.sedar.com. For us, uncertainties arise from the behaviour of financial and metals markets, predicting natural geological phenomena and from numerous other matters of national, regional, and global scale, including those of an environmental, climatic, natural, political, economic, business, competitive, or regulatory nature. These uncertainties may cause our actual future results to be materially different than those expressed in our Forward-Looking Statements. Although Cornerstone believes the facts and information contained in this news release to be as correct and current as possible, Cornerstone does not warrant or make any representation as to the accuracy, validity or completeness of any facts or information contained herein and these statements should not be relied upon as representing its views after the date of this news release. While Cornerstone anticipates that subsequent events may cause its views to change, it expressly disclaims any obligation to update the Forward-Looking Statements contained herein except where outcomes have varied materially from the original statements.

On Behalf of the Board,
Brooke Macdonald
President and CEO

Neither 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.

[1] A maiden Mineral Resource Estimate (MRE) for the Alpala deposit, estimated from the initial 53,616m of drilling, was announced on January 3, 2018 (see Cornerstone news release 18-01 on that date) and the corresponding Technical Report prepared by SRK Exploration Services Ltd. and qualified persons James Gilbertson, Martin Pittuck, and John Willis in compliance with National Instrument 43-101 was filed at www.sedar.com on February 16, 2018 (http://www.cornerstoneresources.com/i/pdf/AlpalaMRE_0218.pdf). The MRE announced resources of: 430Mt @ 0.8% CuEq Indicated and 650Mt @ 0.6% CuEq Inferred (3.4 Mt CuEq Indicated 4.0 Mt CuEq Inferred) at 0.3% CuEq cut off, for a metal inventory of 2.3 Mt Cu and 6.0 Moz Au Indicated and 2.9 Mt Cu and 6.3 Moz Au Inferred, including a high-grade core of 70Mt @ 1.8% CuEq Indicated (1.2Mt CuEq) and 50Mt @ 1.8% CuEq Inferred (0.8 Mt CuEq) at a 1.1% CuEq cut off. A further 50 Mt @ 1.0% CuEq Indicated (1.0 Mt CuEq) and 50 Mt @ 1.0% CuEq Inferred (1.0 Mt CuEq) is added to the high grade core if a 0.9% CuEq cut off is used, giving a high grade core of 220 Mt at a weighted average grade of 1.44% CuEq.

[2] All references in this news release to copper equivalent (CuEq) grades are composed of copper and gold values, calculated using a gold conversion factor of 0.63, determined using an updated copper price of USD3.00/pound and an updated gold price of USD1300/ounce.

[3] True widths of down hole interval lengths are estimated by JV partner and project operator SolGold plc to be approximately 25-70%.

[4] Bornite is a mineral containing about 63% Cu.

[5] 0.4% Cu cut-off grade; Micon International Co. Ltd. Technical Report for Ascendant Exploration SA, August 20, 2004, pages 28 & 29. Mineralization identified at the Llurimaga copper project is not necessarily indicative of the mineralization on the Cascabel Property.