

Cornerstone Responds to SolGold Announcement

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OTTAWA, Jan. 31, 2019 /CNW/ - [Cornerstone Capital Resources Inc.](#) ("Cornerstone" or "the Company") (TSXV:CGP) (Frankfurt:GWN) (Berlin:GWN) (OTC:CTNXF) notes the press release of [SolGold plc](#) ("SolGold") issued on January 31, 2019 that announces their intention to commence an offer to acquire all of the issued and outstanding common shares of Cornerstone.

Despite SolGold not intending to make a formal offer before the end of February, Cornerstone has been advised by shareholders that collectively own over 50% of the outstanding shares of the Company that they will not support the terms of the proposed offer announced by SolGold. Given that the Canadian takeover rules require the majority of the outstanding shares (excluding shares held by SolGold) be tendered to a formal offer before any shares can be taken up, SolGold's proposed offer, if formalized, is incapable of being completed.

Cornerstone will evaluate if any parties are acting in concert with SolGold and consider what actions, if any, to take if that is the case.

SolGold makes other statements in their press release which Cornerstone disagrees with. Given that a majority of Cornerstone's shareholders do not support the offer, the Company does not intend to respond to SolGold's other statements at this time. Cornerstone's shareholders are advised to take no action at this time and wait for further updates from the Company.

Commenting on today's release, Cornerstone President & Chief Executive Officer, Brooke Macdonald, said: "We respect the views of our shareholders and given the underwhelming proposal made by SolGold we are not surprised in the least, that it has been rejected so swiftly by a majority of our shareholders even before a formal offer is made.

Cornerstone is open to discussing with SolGold and any other potential bidders any value enhancing transaction that would garner the support of our shareholders.

We recognize that the proposed SolGold offer does not release the BHP Group from their unusual standstill on Cornerstone, that was agreed between the BHP Group and SolGold, so unfortunately the BHP Group may well be left on the sidelines as Cornerstone pursues other value enhancing alternatives that fairly value Cornerstone for its strategic, direct and indirect position in Cascabel, the ENAMI joint venture and other assets.

Cornerstone shareholders should also be aware that the Blanca, Nieves and Rio Mira concessions that SolGold incorrectly states are 100% owned by SolGold are in fact within the 5 km area of interest of the Cascabel concession and Cornerstone's 15% carried interest (described below) applies to these concessions too. In fact, SolGold's 85% interest is conditional on it fulfilling its obligations with respect to Cornerstone's carried interest. To date, SolGold has not agreed to terms that reasonably reflect the contractual arrangements regarding this interest or other identified compliance issues."

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

