

OTTAWA, ONTARIO--(Marketwired - Jul 12, 2016) - [Cornerstone Capital Resources Inc.](http://www.cornerstoneresources.com) ("Cornerstone" or "the Company") (TSX VENTURE:CGP)(FRANKFURT:GWN)(BERLIN:GWN)(OTCBB:CTNXF) announces the following project update for the 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. SolGold Plc is funding 100% of the exploration at Cascabel and is the operator of the project.

The Cascabel Project (Figure 1) is located on the gold rich northern section of the prolific Andean Copper belt (Figure 2).

Figures, table and photographs 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/NR16-17Figures.pdf>.

HIGHLIGHTS:

- Drill hole 17 final assay results return 948m (true width 683m) @ 0.54% copper and 0.53 g/t gold (for 1.01% copper equivalent "CuEq") from 330m at Alpala (at 0.2% CuEq cut-off grade).
- High grade sections within this envelope include:
 - o 562m (true width 405m) @ 0.70% copper and 0.75 g/t gold (for 1.36% CuEq) from 702m (at 0.4% copper equivalent cut-off grade);
 - o 248m (true width 179m) @ 0.94% copper and 1.36 g/t gold (for 2.16% CuEq) from 784m (at 0.7% copper equivalent cut-off grade);
 - o 136m (true width 98m) @ 1.28% copper and 2.20 g/t gold (for 3.24% CuEq) from 846m (at 1.5% copper equivalent cut-off grade).
- Intersection commences at 330m, approximately 350m below surface, and remains untested at higher elevation.
- Alpala mineralization now drill confirmed over 450m width, 700m in length and 1800m vertically.
- Next drill campaign at Alpala includes testing the southwest area over a 500m strike length.
- Further outcrop targets identified at Tobar Creek 700m west of the Tandayama-America target.
- Mapping and rock saw channel sampling continues along significant outcrops to mature drill targets at Aguiñaga, Moran, Parambas, Tandayama-America and Carmen.

FURTHER INFORMATION:

Assay results have been received and compiled for drill hole 17, indicating an upper level high grade zone to the porphyry copper-gold system and confirming a 150m lateral extension to the southwest at Alpala. Results are presented in Table 1.

Cascabel Project - Drill Hole Intersections

Hole ID	Depth From	Depth To	Interval (m)	Cu_%	Au_g/t	Cu.Eq_%	True width (m)
CSD-16-017	330	1278	948	0.54	0.53	1.01	683
incls	702	1264	562	0.70	0.75	1.36	405
incls	784	1032	248	0.94	1.36	2.16	179
incls	846	982	136	1.28	2.20	3.24	98

* Data Aggregation Method

- Intercepts reported with up to 10m internal dilution. (Excluding bridging to a single sample)
- Intercepts selected using Cu equivalent cutoff grades of 0.10, 0.20, 0.30, 0.50, 0.70, 1.0 and 1.50

** Gold Conversion Factor of 0.89 calculated from copper price US\$2.20/lb and gold price US\$1350/oz.

*** CuEq calculation assumes 100% recoveries of Cu and Au.

Table 1: Drilling results from Hole 17 (CSD-16-017) at Alpala.

The hole was drilled from the same location as Holes 4, 14 and 16, in a southwesterly direction (233° azimuth) at a declination of 74 degrees. The hole was designed to test and confirm the upper extensions of mineralization encountered in Holes 5 and 12. Molybdenum anomalies in soil samples in the area tested by Hole 17 are believed to indicate the surface expression of the zone encountered (Figure 3, Drill Hole Location Plan).

Porphyry style, copper sulphide mineralization in Hole 17, including 183m of bornite-chalcopryrite copper sulphide mineralization from 816m to 999m, was reported and announced on 16 May, 2016 (*bornite and chalcopryrite are important copper ore minerals containing around 63% and 35% copper, respectively*). The highest grade mineralization in this zone assayed 136m @ 1.28% Cu and 2.20 g/t Au for 3.24% copper equivalent from 846m, at a cut-off grade of 1.5% copper equivalent.

The Hole 17 mineralized zone represents the continuation of copper and gold mineralization intersected in Holes 5 and 12 (Figure 4, Cross-section through Alpala Deposit) which returned intersections including:

- Hole 5: 532m (true width 319m) @ 1.05m% Cu and 1.08 g/t Au (2.01% CuEq) from 778m.
- Hole 12: 576m (true width 346m) @ 1.03m% Cu and 1.19 g/t Au (2.09% CuEq) from 844m.

The intersection in Hole 17 has the effect of extending the mineralized envelopes of SolGold's 3D models to the southwest by 150 metres. This result enhances the shallow high-grade resource potential at Alpala.

Examples of mineralized drill core encountered in Hole 17 are illustrated in Figures 5 and 6.

Alpala Central is the only drilled one of fourteen (14) targets outlined in the complex porphyry cluster on the Cascabel Exploration Concession (see Cornerstone news release dated July 6, 2016). The anomalies have been identified on the basis of coincident copper/zinc and molybdenum highs supported by 3D Magnetic Vector Imaging (MVI). The MVI models are reconciled to actual magnetic susceptibility data from drilling at Alpala, and SolGold is increasingly confident that the combination of the MVI modelling and surface mapping sampling and geochemistry is a predictive strategy for drill targeting.

Current field activities involve auger bedrock sampling, infill soil grids, and reconnaissance mapping and sampling and geophysical modelling, focussing on the Aguinaga, Tandayama-America, Moran, Trivino, Parambas and Carmen targets.

About Cascabel:

SolGold Plc owns 85% of the equity of Exploraciones Novomining S.A. ("ENSA"), an Ecuadorean company that holds 100% of the Cascabel concession in northern Ecuador. Cornerstone owns the remaining 15% of ENSA, which also holds the rights to the La Encrucijada gold-silver project. SolGold is funding 100% of the exploration at Cascabel and is the operator of the project. Cornerstone's 15% interest is financed through completion of a feasibility study.

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 Llorimaga (formerly Junin) copper project (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 Llorimaga copper project is not necessarily indicative of the mineralization on the Cascabel Property.

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.

Logging, sampling and assaying

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 density and photographic logging are performed systematically prior to assaying. The core is logged, magnetic susceptibility measured and key alteration minerals identified 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 LAC y Asociados ISO 9001-2008 certified sample preparation facility in Cuenca. Core samples are prepared crushing to 70% passing 2 mm (10 mesh), splitting 250 g and pulverizing to 85% passing 75 microns (200 mesh) (MSA code PRP-910). Prepared samples are then shipped to MS Analytical Services (MSA), an ISO 9001-2008 laboratory in Langley, BC, Canada where samples are assayed for a multi-element suite (MSA code IMS-230, 0.2g split, 4-acid digestion, ICP-AES/MS finish). Over limit results for Cu (>1%) are systematically re-assayed (MSA code ICF-6Cu, 0.2 g, 4-acid digestion, ICP-AES finish). Gold is assayed using a 30 g split, Fire Assay (FA) and AAS finish (MSA code FAS 111). Over limit results for Au (>10 g/t) are systematically re-assayed (MSA code FAS-415, FA, 30g., gravimetric finish).

Drill hole intercepts from the Cascabel Property are calculated using a data aggregation method, defined by copper equivalent cut-off grades and reported with up to 10m internal dilution, excluding bridging to a single sample. Copper equivalent grades are calculated using a gold conversion factor of 0.89, determined using copper price of US\$2.20/pound and gold price of US\$1350/ounce. Copper equivalent calculation assumes 100% recoveries of copper and gold.

All reported drill core intervals from the Cascabel Property are core lengths, unless otherwise indicated. At present the true thicknesses of all of the holes has not been calculated by SolGold. Low-grade intersections, where applicable, are expressed as average true widths (utilizing the "B-vein > 0.5%" shell orientations). High-grade intersections are better constrained for holes 1, 5, 8 and 9, and these intersections are also expressed as average true widths (utilizing the "B-veins > 20%" shell orientations).

Quality assurance / Quality control (QA/QC)

The MSA Analytical 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) as part of Cornerstone's QA/QC program. Rejects, a 100 g pulp for each core sample and the remaining half-core are stored for future use and controls.

Plans:

SolGold has announced it is planning a resource statement at Alpala, the most advanced target at Cascabel, during 2016, in addition to drill testing the other key targets at Aguiñaga, Trivino, Alpala NW, Hematite Hill, Alpala SE, Cristal, Tandayama America, Moran, and Chinambicito within the Cascabel concession. By the end of 2016 SolGold has reported it is planning further metallurgical testing, and completion of early stage mine and plant design and a scoping study (which may or may not be the approximate equivalent of a preliminary economic assessment as defined under National Instrument 43-101) for an economic development at Cascabel. SolGold has reported it is investigating both high tonnage / low grade open cut and high grade / low tonnage underground developments as a block caving operation.

About Cornerstone:

[Cornerstone Capital Resources Inc.](http://www.cornerstoneresources.com) is a well funded mineral exploration company with a diversified portfolio of projects in Ecuador and Chile, and a proven ability to identify, acquire and advance properties of merit. The company's business model is based on generating exploration projects whose subsequent development is funded primarily through partnerships.

Further information is available on Cornerstone's website: www.cornerstoneresources.com and on Twitter.

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 subsequent to 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

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