

OTTAWA, ONTARIO--(Marketwired - Apr 10, 2017) - [Cornerstone Capital Resources Inc.](#) ("Cornerstone" or "the Company") (TSX VENTURE:CGP)(FRANKFURT:GWN)(BERLIN:GWN)(OTCBB:CTNXF) announces its subsidiary La Plata Minerales S.A. ("PLAMIN") has signed a binding letter of intent with [Avalon Minerals Ltd.](#) (ASX:AVI) whereby Avalon will have the right to earn a majority interest in the 4,949 hectare "Bramaderos" concession in southern Ecuador subject to satisfaction of certain conditions.

A location map of the Bramaderos concession 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/NR17-08Figures.pdf>.

Highlights

- Avalon secures right to earn a majority interest in the highly prospective Bramaderos gold and copper-gold opportunity in Ecuador
- Cornerstone to again work with Avalon team on a program aimed at repeating previous discovery success

About Bramaderos

The 4,949 Hectares Bramaderos concession is located in Loja province, some 130 km (2 hours drive) from the Loja provincial capital city. Easy access is provided by the PanAmerican Highway crossing the western part of the concession (see Figures 1 & 2).

Bramaderos was sporadically explored during the periods 1970 to 1984, 2001 to 2002 and 2004 to 2007. Porphyry style gold-copper mineralization has been found mainly associated to quartz veins stockworks and breccias hosted by a cluster of potassic altered, northeast aligned, quartz-diorite porphyries showing the typical porphyry alteration and mineralization patterns. An extensive, 5km by 1-2 km, gold and copper (+/- molybdenum) in-soil anomaly located in the central part of the property has been partially tested by trenching and diamond drilling. Several zones are yet to be followed up. A total of 888 rock and 1324 soil samples have been collected, 17 trenches dug and channel sampled, 31 line kilometers of magnetic and Induced Polarization (IP) surveys carried out, and a total of 10,426m of diamond drilling performed to test some of the anomalous areas.

Historical results from drilling at Bramaderos include wide intervals such as 260m at 0.6g/t Au and 0.14% Cu. Trenching results at the West Zone breccia include results of up to 42m at 3.7g/t Au. (A.C.A. Howe NI 43-101 Report, 31 August 2006). These results, together with the distribution of alteration, indicate that we are in a fertile mineralized system with significant discovery potential.

More detailed information, including a more detailed concession map, will be released once all of the data sets have been fully analyzed. Bramaderos is subject to the usual rules under the Ecuadorian Mining Law, including an initial exploration period of four years, followed by four years for advanced exploration (including drilling), followed by two years for pre-feasibility and feasibility studies and definition drilling which period may be extended for a final two years prior to exploitation (mine development).

Brooke Macdonald, Cornerstone's CEO, said: "We are delighted to be working with Avalon, which has an outstanding management and technical team with whom we have worked previously on other projects. Bramaderos has excellent potential to host large-volume gold and copper mineralization. The available data will be fully assessed and a 3D mineralization model developed. Several near drill ready targets have been identified."

Malcolm Norris, Avalon's CEO, said: "Avalon is excited about working with Cornerstone and advancing the Bramaderos opportunity. The Avalon team has worked previously with Cornerstone on other projects in Ecuador which have led to significant discoveries and shareholder value growth, and we will work towards repeating that success at Bramaderos. The Avalon team is keen to apply its exploration approach developed at Tujuh Bukit in Indonesia and Cascabel in Ecuador to the Bramaderos opportunity."

Principal Terms

Avalon will have the right to earn an initial 51% interest (the "First Option") in the mineral rights to the Bramaderos concession (the "Property") by making a payment of \$50,000 to PLAMIN upon execution of the letter of intent ("LOI") and incurring exploration and related expenditures on the Property at the following times and in the following amounts (all references to \$ or dollars in this news release are to US\$): (i) on or before the first anniversary of receipt of drilling permits, incurring committed expenditures on the Property in the amount of \$1,500,000; and (ii) on or before the third (3rd) anniversary of the date of the LOI, incurring further optional expenditures on the Property in the amount of \$1,900,000. Upon Avalon having made the above

payment and having incurred the required expenditures, it shall have exercised the First Option and acquired a 51% interest in the Property. Because in Ecuador the Mining Law recognizes only one recorded owner of a mineral concession, the parties will then form an equity joint venture by creating a specific purpose company in Ecuador (the "SPC"), and enter into a more detailed shareholder agreement for the SPC patterned after a model agreement appended to the LOI. During the period of the First Option and until the Avalon has exercised its right to become operator Avalon will direct the technical program on the Property, and PLAMIN will be the operator and will be reimbursed for its services on the basis of the cost of exploration expenditures plus 10%. Upon Avalon having exercised the First Option, it shall be entitled to become operator.

In the event that Avalon has exercised the First Option, Avalon shall have a further option for 90 days (the "Second Option") to elect to acquire an additional 19% interest in the Property (for a cumulative total of 70%) by funding the expenditures for the completion of a feasibility study ("FS") to the standard required to comply with the Canadian Institute of Mining, Metallurgy and Petroleum ("CIM")'s Definition Standards for a feasibility study. The Second Option can be exercised upon delivery to PLAMIN of the FS and the payment of the greater of \$250,000 or \$1.00 (One Dollar) per ounce of AuEq (gold equivalent) classified as "Measured and Indicated Resources" (as that term is defined in the CIM Definition Standards incorporated by reference into Canada's National Instrument 43-101) in the FS (the "Second Option Exercise Date"). If the Second Option Exercise Date does not occur by the third (3rd) anniversary of exercise of the First Option ("FS Deadline", which may be extended upon mutual agreement in writing) the interests of the parties will remain at PLAMIN - 49% and Avalon - 51%.

Upon the Second Option Exercise Date, Avalon shall have the right to acquire an additional 10% interest in the Property (for a cumulative total of 80%) (the "Third Option") by: (i) providing 100% of the costs to achieve commercial production in which case, until such time as the Avalon has received an amount equal to PLAMIN's share of such cost from and after the Second Option Exercise Date plus interest at an annual rate equal to Prime (as reported in the Wall Street Journal) plus 2% from the date of advance to repayment, PLAMIN shall be entitled to receive 90% of the distributions that PLAMIN would otherwise have been entitled to and this shall be its sole entitlement; or (ii) arranging limited recourse project financing in an amount sufficient to achieve commercial production.

In order to be effective, the written notice must be received by PLAMIN within 120 days of the Second Option Exercise Date and must be accompanied by a payment to PLAMIN in an amount equal to twice the amount paid by PLAMIN in respect of the joint venture from such date.

Approximately 2/3 of the Bramaderos concession surface area is subject to an underlying 2% net smelter returns royalty ("NSR") in favour of the a third party (the "2% NSR"). A \$50,000 annual advance royalty is payable on and after the first anniversary of the delivery of a Positive Feasibility Study (as defined in the underlying agreement). One-half of the 2% NSR may be purchased for \$3 million, leaving the holder of the NSR with a 1% NSR.

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 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.

Due to anti-spam laws, many shareholders and others who were previously signed up to receive email updates and who are no longer receiving them may need to re-subscribe at <http://www.cornerstoneresources.com/s/InformationRequest.asp>

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,

Hugh Brooke Macdonald, President and CEO

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