Cornerstone Capital Resources Inc.: Cascabel Exploration Update (May, 2014)

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MOUNT PEARL, NEWFOUNDLAND--(Marketwired - May 2, 2014) - **Cornerstone Capital Resources Inc. ("Cornerstone"** or **"the Company") (TSX VENTURE:CGP)(FRANKFURT:GWN)(BERLIN:GWN) (OTCBB:CTNXF)** announces the following project update for the Stage 2 drill program at the Alpala prospect within the Cascabel Project at the Company's copper-gold porphyry joint venture exploration project in northern Ecuador.

Highlights:

- **Expansion, deepening and further refinement to magnetic modeling confirms multiple, large targets northwest, west and southeast of the current drilling at Alpala;**
- **Hole 6 completed to final depth of 1401.5 metres. Final Assays expected by mid May;**
- **Hole 7 location confirmed between 5 and 6 and drilling south-west;**
- **Planning for metallurgical tests underway for Hole 5 mineralization;**
- **Quantec "Orion" IP survey expected to commence within 2 weeks**

Brooke Macdonald, Cornerstone's President & CEO said: "New geological information provided by Hole 6 and re-processing of the magnetic data are helping us to refine the overall exploration model at Alpala and, more importantly, clearly demonstrate the enormous size potential of this porphyry target. It is important to note that while Alpala is the most advanced target at Cascabel, it is only one of several targets still to be fully explored and drill tested on this 50 km² concession".

References to figures related to the version of this release on the Company's website (www.cornerstoneresources.com) or visible in PDF format by clicking the link below:

http://www.cornerstoneresources.com/i/pdf/NR14-12Figures.pdf.

3D Inversion Magnetic Modeling

The initial 3D inversion magnetic model at Alpala - which maps the distribution of magnetic rocks often associated with mineralized zones of porphyry systems - extended from surface to around 1100 metres depth. The initial model was created to assist in identifying targets that might be amenable to open-pit exploitation.

Following the recent discovery of high-grade copper and gold in Hole CSD-13-005 ("Hole 5") below the depth of the initial magnetic model, a refined and greatly expanded model was created for the Alpala region by Chris Moore of Moore & Associates (Aust) Pty. Ltd. This work is ongoing. The new magnetic model is extended to 2500 metres depth to identify high-grade targets that might be amenable to deeper block-cave underground mining. The new model is also being extended further to the west, to cover a larger area of the Alpala magnetic region. The result of this new modeling is not only a significant refinement in model accuracy, but it also allows SolGold to view the entire magnetic domain in three dimensions rather than just the shallow eastern domain.

Previous representations of the magnetic bodies at Alpala were constrained to areas less than 1100 metres

in depth, and optimized for areas shallower than 600 metres, and mostly east of the area of current drilling where a magnetic apophyse was identified.

The new modeling is revealing a deeper and much more magnetic westward extension to these eastern anomalies. The new deeper model allows us to see previously unrecognized but more intense magnetic anomalies to the west and northwest of Hole 5. Very significantly, the high-grade porphyry copper-gold mineralization in Hole 5, which occurred in association with magnetite and high magnetic susceptibility readings in drill-core, now correlate well with the refined magnetic model (see Figure 2).

On Section 1 (Figure 2), the magnetic anomaly that coincides with the principal 688-metre-long high grade copper-gold intersection in Hole 5 extends and thickens markedly down-plunge towards the southwest. Significant volumes of magnetic rock are modeled in this region, and based on the results of Hole 5 are interpreted to be mineralized zones of magnetite-rich potassic alteration and which are potentially copper-gold bearing.

On Section 2 (Figure 3), located approximately 150m further to the northwest, a parallel vertical slice through the magnetic model shows a very similar geometry, with a thick wedge of modeled magnetic rock covering a significant and equivalent cross-sectional area as on Section 1.

Figures 4 and 5 present views of selected iso-surfaces from the new and refined inversion model, and illustrate the overall geometry of the magnetic bodies at Alpala. The robustness of this model is confirmed, not only, by the grade-model correlation in Figure 2, but also by the location of halo mineralization in Hole 3 just above the Southeast magnetic target, and similar halo grades at surface in the Quebrada Moran trenches which lie proximal to and above the Northwest magnetic target.

Figure 6 shows a northwest-southeast oriented long-section through the new Alpala magnetic model (see Figure 1 for long-section location).

It is apparent that the vertically extensive and high-grade copper-gold intersection in Hole 5 coincides well with the modeled, gently-dipping magnetic anomaly that lies at depths of around 800m to 1800m and that spans a strike length of over three kilometres.

Hole CSD-14-006 Update

Hole CSD-14-006 ("Hole 6") was terminated on the 20th April at 1401.5 metres depth. The location of Hole 6 is shown in Figures 1, 4 and 5.

The hole intersected a thick sequence of volcaniclastic breccias which were argillic-altered from surface to 471 metres depth, propylitic-altered from 471 to 965.5 metres depth, phyllic altered from 965.5 to 1111.5 metres depth and then potassic-altered with variable phyllic and propylitic overprint from 1111.5 to 1395.4 metres, before ending in intense phyllic alteration to end of hole. Looking at Figures 4 and 5 it is clear that Hole 6 drilled on the margins and to the east of the Central Zone.

Final assays are expected to be received by the Company by mid-May.

Hole CSD-14-007 Position Selected and Drill Rig Being Mobilized

The location for drill hole CSD-14-007 ("Hole 7") has been selected and the drill pad is currently being cleared. The hole is being collared to test the same magnetic anomaly in which Hole 5 intersected 1346m grading 0.61% Cu and 0.53 g/t Au from 24m depth and 688m grading 0.92% Cu and 0.90g/t Au from 658m depth.

The Hole 7 position will test the shallow northwest-trending mineralized structural zone (encountered in surface trenches and in Holes 1 and 5) about 150m northwest of Hole CSD-13-005 ("Hole 5"), and then continue deeper to test the magnetic body, which was highly mineralized in Hole 5. Hole 7 will be drilled

sub-parallel to Hole 5, but at a location around 150 metres to the northwest, midway between Holes 5 and 6.

The location of Hole 7 relative to Hole 5 and the other holes at Alpala is shown on Figures 1 and 3-7.

Metallurgical Testing

Cornerstone's joint venture partner on the project, SolGold Plc, is planning to undertake preliminary metallurgical flotation testing on composites of mineralization from drill Hole 5, and a testing strategy and agreement with a commercial metallurgical laboratory will be finalized shortly.

Induced Polarization (IP) Survey

Equipment for the Orion DCIP-MT survey at Alpala has arrived in Quito, Ecuador, and is currently undergoing clearance in customs. When the approximately 4 tonnes of equipment has been cleared, it will be transported to the Rocafuerte field office in preparation for commencement of surveying.

Gridding, in preparation for the survey, is well advanced, with all required 108 line kilometres of gridding completed. An additional 10-12 days is required for final quality control on some grid-points prior to the survey being ready to commence.

A team of 13 Quantec expatriate personnel is expected to arrive in Ecuador during May to commence the survey. The setting up and running of the survey is anticipated to take 27 days to complete and is expected to be completed in June with final processed data products due during July.

Whilst conventional IP systems typically see to depths of around 400m, the Orion system can read chargeability to potential depths of 800m, and beyond if ground conditions are ideal. The Orion system can also read resistivity-chargeability data to potential depths of 2 kilometres using magneto-telluric measurements. The Orion system is a very sophisticated survey technique and will be used to map sulphide distribution across the entire recognized extent of the lithocap and magnetic anomalies at Alpala. The Orion system will provide a quantum leap in data density over conventional IP systems that are the industry norm.

About Cascabel

SolGold Plc owns 85% of the equity of Exploraciones Novomining S.A. ("ENSA"), an Ecuadorean registered 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 with Cornerstone Ecuador S.A. providing some exploration and administrative services. Cornerstone's 15% interest is financed through completion of a bankable feasibility study.

Cascabel is located in north-western Ecuador in an under-explored northern section of the richly endowed Andean Copper Belt, 60 km northeast of the undeveloped NI 43-101 compliant inferred resource of 982 million tons at 0.89% Cu Junin copper project.

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 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 and NQ core sizes (respectively

7.1, 5.6 and 4.8 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 Cornerstone's core logging facility and half of the core is delivered by Cornerstone employees for preparation at Acme Analytical Laboratories (ACME) affiliate laboratory in Cuenca. Core samples are prepared crushing 1 kg to 80% passing 2 mm (10 mesh), splitting 250 g and pulverizing to 85% passing 0.075 mm (200 mesh) (ACME code R200-250). Prepared samples are then shipped to ACME in Vancouver, Canada where samples are assayed for a multi-element suite (ACME code 1E, 0.25g split, 4-acid digestion, ICP-ES finish). Over limit results for Ag (> 100 g/t), Cu, Pb and Zn (each one > 1%) are systematically re-assayed (ACME code 7 TD1 or 7 TD2, 4-acid digestion, ICP-ES finish). Gold is assayed using a 30 g split, Fire Assay (FA) and AA or ICP-ES finish (ACME code G601).

Quality assurance / Quality control (QA/QC)

The ACME affiliate preparation facility in Cuenca was audited by Cornerstone prior to the start of the drilling program and ACME is an ISO 9001:2008 qualified assayer that performs and makes available internal assaying controls. Duplicates, certified blanks and standards are systematically used (1 control sample every 15 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.

About Cornerstone:

Cornerstone Capital Resources Inc. is a well-funded mineral exploration company based in Mount Pearl, Newfoundland and Labrador, Canada, with a diversified portfolio of projects in Ecuador and Chile, and a strong technical team that has proven its 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 joint venture partnerships. Commitments from JV partners constitute significant validation of the strength of Cornerstone's projects.

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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On Behalf of the Board,

Brooke Macdonald, President and CEO

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