Cornerstone Capital Resources Inc.: Cascabel Update: Hole 7 Completed, Drill Rig moving to Hole 8, IP Survey Commences

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MOUNT PEARL, NEWFOUNDLAND--(Marketwired - Aug 6, 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 Company's Cascabel copper-gold porphyry joint venture exploration project in northern Ecuador.

HIGHLIGHTS:

- **Drill hole CSD-14-007 ("Hole 7") has been terminated at a downhole depth of 1672.76 metres;**
- **Intervals of strong visible copper sulphide mineralization continued from 1251.26m to 1298.30m;**
- **Drill rig moving to drill site for hole CSD-14-008 ("Hole 8");**
- **Refined magnetic modeling provides substantial additional resolution of the magnetic domains within the Greater Alpala Magnetic Complex;**
- **Orion 3D "Deep Earth Imaging" Induced Polarization (IP) geophysical survey equipment and personnel on site. Survey set-up completed and data acquisition commenced on Sunday August 3rd; and**
- **Samples for preliminary metallurgical test-work from three intervals in Hole 5 have been received by Inspectorate in Vancouver, and test-work is in advanced stages.**

All reported intervals referred to in this news release are core lengths. At present the true thicknesses are uncertain due to the early stage of drilling.

References to figures and photographs 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/NR14-19Figures.pdf.

Further Information

Hole 7

Hole 7 was terminated on July 25th at a depth of 1672.76 metres after encountering substantial intersections of copper-gold mineralization on the southwest edge of the Central Magnetic Feature.

From 1251.26m to 1298.30m the hole continued to intersect diorite with varying degrees of potassic alteration. Visible copper sulphides continued through the remainder of the hole but at progressively diminishing intensities, in association with marginal inner propylitic alteration types. From 1298.30m to 1672.76m there is a progressive reduction in quartz vein intensities indicating that the hole was progressing towards the margin of the system.

Assays from 1251.26m to 1600m depth are expected within a week, and the remaining assays from 1600m

to 1672.76m are expected within three weeks.

Magnetic Vector Inversion Modeling

The current unconstrained magnetic model at Alpala was created using the UBC (University of British Columbia) smooth body inversion algorithm that until now has been considered industry best practice. The depth of investigation required at Alpala, coupled with the challenging low magnetic inclination of the earth's field in Northern Ecuador, has required the Company to push this modeling as far as can be feasibly achieved, when considering the non-unique nature inherent in potential field solutions.

New generation magnetic modeling algorithms that allow Magnetic Vector Inversion (MVI) modeling have recently been developed collaboratively by UBC GIF (University of British Columbia Geophysical Inversion Facility), industry and front end software developers (Geosoft) who have commercialized this new technology. Traditional 'susceptibility' algorithms assume the observed magnetic field is due totally to induced magnetization, orientated parallel, or anti-parallel, to the earth's field. In contrast MVI inversion modeling incorporates the three vector components of the magnetic data. This allows the modeling to be more effective in challenging situations where geological processes or geophysical effects, such as deformation, anisotropy, remanent magnetization, high susceptibilities and low inclination of the Earth's field, alter the direction of magnetization. In this way MVI allows the magnetization direction to vary within the model, allowing a more accurate representation of the sub-surface geology. The principal geophysicist consulting on the Cascabel project, Chris Moore of Moore Geophysics, has negotiated an agreement with Geosoft that allows access to these algorithms for use on third party client projects.

An MVI magnetic model has been generated at Alpala. Figures 2, 3, 4 and 5 illustrate this work. This refined model is well supported by geology observed in drill holes, as well as interpretations of regional faults generated from the 2D magnetic interpretation. Holes 5 and 7 have drilled down the southwest margin of an up to 1.1 km long by 0.5 km wide by 1.0 km tall magnetic domain (Figures 2 and 3) and slowly diverged away from this magnetic domain towards the southwest. Both holes ended in lower assayed grade in Hole 5 and lower visible copper grade in Hole 7 - away from the new MVI magnetic domain. This trend of weakening mineralization at depth to the southwest suggests that the heart of the system in the Central Zone lies in the 500m wide northwest-trending magnetic corridor that passes northeast of holes 5 and 7. The presence of extensive intervals of proximal halo mineralization in holes 3 and 6 support the refined MVI model, and suggests mineralization of higher grade lies below and northwest of the lower Hole 3 intersection and below and southwest of the lower Hole 6 intersection.

Hole 8

Hole 8 has been sited on the same pad as Hole 5 and will be drilled with an 85-degree inclination towards due north UTM azimuth (Figure 4). The drill rig is currently being mobilized to the new drill site.

The hole is targeted to intersect the MVI magnetic anomaly at a point that is approximately 100m north-northeast of the upper contact of the high-grade zone In Hole 5, and at a point approximately 170m north-northeast of the lower contact to the high-grade copper-gold intersection in Hole 5 (Figure 5).

The hole will aim to generate a copper-gold intersection at the third apex of a triangle, with Holes 5 and 7 lying along the structurally controlled southwest margin of the MVI magnetic anomaly and Hole 8 yielding a piece point within the anomaly 100m to 170m northeast of Holes 5 and 7 (Figure 5).

IP Survey and Magnetic Modeling

The Quantec Orion IP geophysical equipment was released from customs on 17 July and transported to the field office at Rocafuerte on the same day. The equipment was then mobilized to the Alpala camp by mule and manpower from July 18 to 21. On July 26th the Quantec team completed an inventory of all the equipment and confirmed safe arrival of all required hardware. The Quantec team commenced laying out the cables over the entire survey area, and this set-up phase of the survey was completed on August 2nd.

The Orion 3DIP surveying of the Alpala grid commenced on August 3rd. Chargeability and conductivity

measurements are being taken during daylight hours and magneto-telluric measurements are being taken during the nights. The resistivity data are derived from magneto-telluric measurements that use natural atmospheric electrical discharges as the energy source. The chargeability and conductivity surveying should see to around 800m depth and the resistivity surveying should see to around 2 kilometres depth.

The Orion 3DIP survey at Alpala is anticipated to take 3 weeks to complete the acquisition of survey data. Provision of the raw field data will be made to the Company within 2 weeks following completion of the survey. Preliminary inversion models will be completed and provided by Quantec within 4 weeks of completion of the field survey or provision of the survey GPS data to Quantec's data modelers. Completion of all project deliverables will be made within 10 weeks of completion of the ground survey.

Gridding over the Aguinaga prospect is near complete, and this will allow the Quantec team to commence surveying the Aguinaga area immediately after completion of the Alpala survey.

Metallurgical Test-work

Three samples for metallurgical test-work from Hole 5 were received by Inspectorate Exploration and Mining Services Ltd ("Inspectorate") of Richmond, Vancouver, on July 2nd. Inspectorate is associated with the ACME Laboratory group that conducts the assaying of drill core from the Cascabel project. The initial test work is presently underway at Inspectorate.

The results of this initial test-work are anticipated to be received by the end of August and these results will be announced to the market.

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 National Instrument 43-101 compliant 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 inferred resource of 982 million tons at 0.89% Cu Junin copper project. (Mineralization identified at the Cu Junin 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 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.

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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