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

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Copper Sulphides Intersected in Hole 8; IP Survey Generates Multiple Targets

MOUNT PEARL, NEWFOUNDLAND -- (Marketwired - Oct 27, 2014) - Cornerstone Capital Resources Inc. ("Cornerstone" or "the Company") (TSX VENTURE:CGP) (FRANKFURT:GWN) (BERLIN:GWN) (OTC: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-14-008 ("Hole 8") was completed at 1310.45m on October 11**
- **Hole 8 intersected visible copper sulphide from 367.10m to 680.80m and from 902.78m to 1310.45m, a collective length of over 720m**
- **Hole CSD-14-009 ("Hole 9") expected to commence in November**
- **Orion IP survey completed at both Alpala and Aguinaga targets**
- **Final stages of processing for Orion 3D "Deep Earth Imaging" IP geophysical data underway**
- **Geological model for porphyry copper-gold mineralization further refined**
- **Expert consultant to be engaged soon to manage metallurgical testwork**
- **Rio Cachaco soil sampling program ongoing**

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/NR14-24Figures.pdf.

FURTHER INFORMATION

Hole 8

Hole 8 on the Cascabel concession was drilled at the Alpala porphyry copper-gold prospect (Figure 1). The hole was sited from the same collar as Hole 5 and drilled towards grid north at a dip of 85 degrees. Hole 8 was sited to test for northeast extension of the high-grade mineralization that has been discovered extending along a northwest trend from Hole 5 to Hole 7.

Hole 8 was terminated on October 11, at a depth of 1310.45m. Extensive intersections of visual copper sulphides were observed from 367.10m to 680.80m and from 902.78m to 1310.45m at end of hole. Significant lengths of strong copper sulphide mineralization were observed in the deeper interval.

These results reveal continuity of mineralization extending northeast-ward off the Alpala Footwall Structure.

Plate 1-3 illustrate the style of mineralization encountered in Hole 8.

Hole 9

Hole 9 is located 120m north of the Hole 5 drill pad and is being drilled with an 85 degree inclination towards 210 degrees UTM (Universal Transverse Mercator). Drilling is scheduled to commence in November.

The hole is sited primarily to test the depth extension of the high-grade copper and gold mineralization encountered in Hole 5 (688m at 0,92% Cu and 0.90 g/t Au, including 258m at 1.27%Cu and 1.40 g/t Au). By extending the high grade copper and gold mineralization intersected in Hole 5 to 1700m depth in Hole 9, this would deliver a high grade interval at Central Alpala of over 1000 vertical metres.

The geometry of high-grade mineralization defined to date appears to be controlled by quartz diorite and tonalitic intrusions that have intruded up along a northwest-southeast trending fault zone (the Alpala Footwall Structure; Figures 5 and 6). The lateral width of mineralization in the northeast direction was tested with Hole 8. Hole 9 is sited to better test the vertical extent of mineralization that appears to be controlled by the Alpala Footwall Structure. The zone of porphyry copper-gold mineralization and its intrusive source is expected to widen gradually with depth, and high-grade mineralization is anticipated to extend to substantially greater depth than encountered in Hole 5 which was terminated after drilling through the southwest side of the Alpala Footwall Structure.

At the significant depths that the Alpala prospect is being drill tested, an extensive vertical interval of mineralization is one of several important factors to sustain a block cave mining operation. Hole 9 will assist in defining the vertical extent of mineralization by testing several hundred metres below and north of the high grade intersection in Hole 5, and east of the high grade intersection in Hole 7.

Following the completion of Hole 9, Holes 3 and 5-9 will have sufficiently constrained the geometry and controls on mineralization to optimize drill testing for extensions of mineralization laterally along the Alpala Footwall Structure, and of robust targets that lie northwest and southeast of Central Alpala.

Orion 3D IP Survey

The Orion 3D IP survey on the Alpala grid (9.8 km^2) commenced on August 3, and the survey on the Aguinaga grid was completed during the 1st week of September.

Detailed processing of the data is currently being conducted by Quantec technicians in Toronto, in consultation with consultant geophysicist Chris Moore. Final processing of chargeability and conductivity-resistivity datasets is in progress. Relatively advanced models of the data are available for the company to work with.

Selected views of the preliminary inversion models are illustrated in Figures 2 to 6. Key aspects of the preliminary IP data are listed below.

- The magnetotelluric (MT) conductivity data reveal a deep conductive body that extends from below 2 kilometres depth and merges up into the base of the MVI modelled magnetic body at North West Alpala (Figures 2, 3, 4). The MT conductor is interpreted to be a magnetic and sulphide-bearing intrusion which is slightly more conductive than the surrounding sequence.
- Drilling along the margins and through the MVI magnetic anomaly (Holes 5, 7 and 8) reveal it is associated with significant quantities of secondary magnetite in inner propylitic and transitional potassic alteration zones that is associated with porphyry style copper-gold mineralization.
- The deep MT conductor (900-2000m depth) is better imaged at shallower levels (0-900m depth) by the shallower DC conductivity dataset. The conductive bodies in this shallower zone (e.g. C1 and C2; Figures 2 and 5) lie mostly within the clay-altered lithocap above the MVI magnetic anomaly which maps the magnetic porphyry system and its magnetic margins at Central and Northwest Alpala.

- The close spatial association of the deep MT conductor that envelopes the root of the MVI magnetic anomaly at Northwest Alpala, and the location of strong DC conductors in the lithocap directly above the MVI magnetic anomaly, suggest that the main locus of the Alpala porphyry system is closely associated with the MVI magnetic anomaly.

- The IP data supports the high prospectivity of the MVI magnetic anomaly, and particularly where it penetrates the MT conductivity anomaly at Northwest Alpala. The prospectivity of Northwest Alpala is strongly supported also by surface spectral data that identify acidic alteration assemblages within the clay-altered lithocap above the MT and MVI anomalies.

- The IP data is supporting and refining an additional high quality target at Southeast Alpala, where coincident clusters of chargeability and conductivity anomalies overlie a deep magnetic anomaly (Figures 5 and 6). The prospectivity of the region was initially identified in surficial spectral datasets that mapped highly acidic clay assemblages within the lithocap over the South East Alpala target area.

- The Southeast Alpala target is shallower than the Central and Northwest Alpala target, being at around 600m depth to the top of the magnetic body that underlies the chargeability and conductivity responses.

- The convergence of the magnetic data, the IP data and the geology model allow us to view Central Alpala and Northwest Alpala as parts of a larger coherent target area. The Southeast Alpala target area (1km by 200-500m) covers a similar area as the Central and Northwest Alpala combined target areas (1.1km by 200-500m) (Figure 5).

Both the Central/Northwest Alpala target and the Southeast Alpala target extend northeast-ward off the Alpala Footwall Structure in a 'tear-drop' geometry (Figures 5 and 6). The similar relationship between the two principal targets and the Alpala Footwall Structure suggest that it is a key structural conduit for potentially more than one porphyry system at Alpala.

Geological Model

Following the independent review of geological data from the Alpala prospect by Dr. Steven Garwin and collaboration with the joint venture (ENSA)'s technical team, a robust geological model has been developed for the area of drilling at Central Alpala.

With the completion of Holes 1 to 7 at Central Alpala, sufficient geological data from drill holes was available to plot surfaces (shells) on several geological features within the area of drilling at central Alpala. The surfaces created for the area of drilling utilized all the drill hole data available at the time and data from the surface trenches. The following surfaces were created:

- Two phases of diorite intrusions.
- The northwest-trending Alpala Footwall Structure.
- A surface defining porphyry B-veins at densities > 0.5%.
- A surface defining chalcopyrite/pyrite (Cp/Py) ratio of >1 and >0.5.
- A surface defining copper (Cu) at >0.3%.
- A surface defining molybdenum (Mo) at >10ppm.
- A surface defined by the Al_2O_3/Na_2O ratio which approximately maps the lithocap base.

Porphyry copper-gold deposits typically exhibit increasing 'B-vein' abundances, Cp/Py ratios, plus increasing Cu and Mo contents as the deposit is approached from the external country rock to the internal intrusions that host much of the mineralization. The geometries of these shells aid in establishing vectors towards the higher grade parts of the deposit. Dr. Steven Garwin showed that many of these types of shells envelope the porphyry mineralizing centre in a consistent pattern, and from which vectors towards mineralization can be established.

Figure 7 shows the geological model at Central Alpala. In porphyry systems, the geometry of these shells grossly reflects the geometry of the causative mineralizing intrusion - equidimensional dome-like intrusions have equidimensional dome-like carapaces of B-vein shells, while tabular and finger-like intrusions have tabular and finger-like enveloping shells of B-veins. The B-vein generation of quartz veins host much of the copper and gold in porphyry deposits. The geometry that is taking shape at Alpala is of a tabular and elongate mineralized body, striking northwest-southeast, and dipping steeply towards the northeast. Many of the shells shown in Figure 7 yield a tabular geometry that gradually widens with depth. This geometry

suggests that the mineralizing intrusions are tabular (dyke-like) and have penetrated up along a major northwest-southeast trending fault structure, either defined by or associated with the Alpala Footwall Structure.

Dr. Garwin has recently also been engaged to train the ENSA technical team on site in geological mapping techniques that facilitate the methodology of establishing vectors towards the centre of the mineralizing system. Geological mapping is presently underway within and around the edges of the lithocap at Alpala. This work will provide further geological information to supplement the extensive geochemical, spectral, magnetic, electrical IP and geological datasets that exist at Alpala and across the Cascabel project.

Metallurgical Testwork

A contract to engage an industry leader to supply a highly qualified metallurgical consultant is near finalization. Once engaged, the consultant with manage ongoing metallurgical test work for the Cascabel Project.

Six samples of drill core from Hole 5 were sent to the University of Western Australia (UWA) for microprobe analysis to determine the mineralogical association and location of gold to assist with the metallurgy study.

Rio Cachaco Soil Sampling Program

Rio Cachaco is a northwest flowing drainage system in which early exploration work by Cornerstone had identified significant counts (10-30) of free gold in pan concentrate samples collected in the region. Geological inspection of the upper headwaters of the Rio Cachaco drainage identified northwest-trending, structurally-controlled zones of argillic alteration within propylitic-altered andesitic volcanic rocks. Several float (6) and rock chip samples from outcrops (3) of gold and base-metal bearing quartz veins and silicified breccias occur in this region, yield values greater than 1 g/t gold (1.1-3.2 g/t Au) in 2 catchment areas. Other adjacent drainages remain to be inspected.

The catchment area is presently being sampled on a 200m by 100m soil grid, with sampling approximately 50% completed (Figure 8). The sampling commenced at the northern, lower elevations of Rio Cachaco, and is progressing southward. The soil sampling program will cover the western extension of strong magnetic anomalies that lie to the west-northwest of the Alpala region.

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 partnerships. Commitments from 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

Further information is available on the Cornerstone Web site at www.cornerstoneresources.com**; via**

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