Cornerstone Announces Exploration Results for the CaÃ±a Brava Property, Ecuador

26.02.2015 | Marketwired

MOUNT PEARL, NEWFOUNDLAND--(Marketwired - Feb. 26, 2015) - Cornerstone Capital Resources Inc. ("Cornerstone" or **"the Company") (TSX VENTURE:CGP)(FRANKFURT:GWN)(BERLIN:GWN)(OTCBB:CTNXF)** announces results from prospecting and geological mapping surveys carried out on its wholly owned Caña Brava property located in south-central Ecuador.

HIGHLIGHTS:

- **Two significant porphyry Cu-Au targets well defined by coincident geological, geochemical and ground magnetic anomalies**
- **An intermediate sulphidation, higher grade, epithermal Au-Ag-Cu veins-breccia system mapped on the northern margin of the porphyry targets**
- **A high sulphidation epithermal Au-Ag system recognized in the northeast corner of the property**
- **A trenching program is underway and drill targets will be defined in the next two months.**

References to figures, photographs and tables 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/NR15-04Figures.pdf

Brooke Macdonald, President of Cornerstone, stated: "Recent exploration work is demonstrating the high potential of Caña Brava. Significant epithermal gold-silver mineralization is present on top and peripheral to porphyry gold-copper mineralization. The two porphyry targets appear to be located at relatively shallow depths and have been defined by impressively coincident geological, geochemical and magnetic anomalies. Currently we are seeking a partner to help fund a drilling program. Despite the excellent potential, no drilling has ever been carried out on the property."

The 1,150 hectare Caña Brava property is located in south central Ecuador near the community of Gualel in the province of Loja, approximately 35 km northwest of the provincial capital city of Loja (Figure 1). The project area is situated in the Ecuadorian Andes on the east side of the Cordillera Occidental at elevations ranging from 2,950 m to 3,650 m above sea level. Access from Loja (or from the city of Cuenca to the north) is provided by paved roads and a secondary gravel road to Gualel, from which trails provide access to the property.

Regional Geology and Mineralization

The Caña Brava property is strategically located at the junction of two main trends: 1) in the southwestern (SW) part of a northeast (NE) oriented belt of epithermal precious metal and related mineralized porphyry prospects and deposits, including (from SW to NE) the Caña Brava, Fierro Urco, Cañicapa, Encrucijada, Mozo and Gima prospects, and 2) a northwest-southeast (NW-SE) oriented bet of intrusives and associated epithermal and porphyry mineralization (Figure 2).

It is underlain by Oligocene age sequences of mafic and felsic volcanic flows, tuffs and sediments, part of the

Saraguro Formation, which have been intruded by granodiorite, quartz diorite and diorite batholiths and stocks during mid-Miocene.

Structurally, the area is bounded by two major north-northeast (NNE) trending regional faults, the Giron Fault which cuts directly through the property, and the Catamayo Fault located approximately 15 km to the east (E). Cross cutting transverse faults developed within this NNE structural trend commonly control the emplacement of intrusions and development of associated porphyry and epithermal alteration and mineralization.

Property History

Between 1995 and 2000, the British Geological Survey and the Government of Ecuador carried out regional-scale surveys in the Caña Brava area which included an airborne magnetic survey, geological mapping, and rock and stream sediment sampling. The regional airborne magnetic survey (1 km line spacing) outlined a series of structures and large scale geological features including a 5 km-wide east-northeast (NE) trending magnetic low which passes directly through the Caña Brava property. This magnetic low may be due to magnetite destruction associated with hydrothermal alteration along a coincident structure. The Giron Fault is not evident in the airborne magnetic data, however a mapped regional ENE trending fault lies on the north side of this magnetic low. Lineaments related to major structures and twin concentric rings/faults that may represent caldera structures are evident from regional topographic maps, supported by regional volcanogenic studies.

Industry exploration work on the property was first reported in the early 1990's and consisted of satellite imagery analysis to define exploration targets for field follow-up. During 1994, Rio Tinto Zinc Corporation explored for epithermal gold and porphyry copper deposits and carried out a stream sediment geochemistry survey. IAMGold Corp. carried out regional exploration throughout the district in 1998-1999 and the western part of the Caña Brava property was covered by a soil geochemistry survey (100m spaced samples on 100-200m spaced grid lines) as part of this program. They reported anomalous copper, molybdenum and gold coincident with epithermal alteration. At about the same time, Newmont Mining Corp. explored the Fierro Urco prospect and drilled several drill holes some 500-1000m from the NE corner of the Caña Brava property.

Cornerstone Exploration Program

Cornerstone acquired the Caña Brava property in 2007, carried out limited prospecting work until activities were suspended for a prolonged period resulting from the Mining Moratorium enacted in April 2008. Immediately thereafter the Caña Brava mining title was erroneously revoked by the Ecuadorian Government, however this decision was appealed and the mineral rights were restored in November 2012 (see news release dated November 14, 2012).

Exploration work on the Caña Brava property resumed in 2014 and consisted of geological mapping, prospecting, rock sampling (88 samples) and soil sampling (438 samples) to complete previous sporadic reconnaissance surveys by Cornerstone in 2007 and 2008 as well as a ground magnetic survey (117 line km) covering the entire property. Trenching is currently underway to evaluate precious and base metals anomalous areas with the objective of defining drill targets in the following months.

Geology and structural data

The property is underlain by a N57°E oriented series of andesitic flows and tuffs, dacitic tuffs and minor sequences of rhyolitic tuffaceous units (Figure 3). These units, part of the Saraguro Formation, generally dip moderately (29°) to the SE. Granodiorite intrusive bodies has been mapped to the SE and NW of the property. Extensive hydrothermally altered breccias (up to 1000m by 300m) are developed within the volcanic and volcaniclastic units.

Structural data compilation indicates that two main sets of structures are present on the property. The predominant structural set is oriented N30°E to N57°E and sub-vertical, with altered and mineralized structures striking N30°E. A second set of altered-mineralized structures is oriented N268°E and vertical. The main hydrothermal breccia bodies are preferentially aligned in this latter direction.

Alteration and mineralization

Geological mapping and spectrometer work (Terraspec) indicate that high sulphidation (HS) and intermediate sulphidation (IS) epithermal systems are present on the property, with a deeper portion of the system -- transitional to a porphyry environment -- located in the western part of the concession at Q. Soroche (1.6km by 1 km) and Q. Caña Brava (1.5km by 1.4 km) while mineral assemblages present in the higher elevation, NE sector of the property (1.5km by 1.0 km), are typical of an upper, advanced argillic, part of an HS system. It is postulated that both altered-mineralized zones are probably part of a much larger system at depth and may also include the Fierro Urco HS prospect neighboring the property to NE. Most samples seem to define reasonably acidic alteration, suggesting that alteration is reasonably widespread over the entire property.

Hydrothermal breccias are usually highly silicified and hematite/goethite-rich. They are interpreted to represent the uppermost part of a mineralized porphyry system. Vuggy silica occurs in breccia clasts and structural zones. Clasts and blocks of dacite quartz feldspar porphyry are common. Potassic alteration is associated to the granodiorite unit.

Silicic ribs are characteristic of the Caña Brava property and are generally 1-2 m wide, but some 10-20 m widths are also recorded. They are extensively developed on the west side of the property (Q. Soroche and Soroche Norte sectors). The ribs often display a breccia texture with angular clasts of silicified quartz feldspar porphyry and iron oxide stockwork. They have a pronounced northeast trend sub-parallel to the regional faults.

The distribution of the multiple alteration patterns and interpretation are shown on Figure 4.

Ground magnetic survey

A 117 line kilometre ground magnetic survey has been carried out over the entire property. Results are shown on figures 5 and 6. Data interpretation evidenced semi-circular and circular features, strong NE and WNW-ESE oriented structures bounding areas of low magnetism interpreted as magnetite destruction by hydrothermal processes. Porphyry style magnetic anomalies are well defined and correlate perfectly with mapped geology and alteration and with Mo-Cu-Au geochemical anomalies at Quebrada (Q.) Soroche and Q. Caña Brava (see following section). A similar anomaly has been identified to the NE of Q. Caña Brava within a poorly outcropping area. This magnetic anomaly may represent a deeper, blind, porphyry target.

Results and Discussion

During the prospecting and geological mapping programs at the Caña Brava property, Cornerstone collected a total of 431 representative rock chip samples with 19 returning > 1 g/t Au, 39 returning > 0.5 g/t Au and 80 returning > 0.2 g/t Au. One sample assayed 64.5 g/t gold, associated with high silver value (42.5 g/t Ag). In addition, 17 samples assayed > 100 g/t Ag, 43 samples assayed > 30 g/t Ag and 73 samples assayed > 10 g/t Ag. Some 117 samples assayed > 200 ppm Cu and 129 samples > 10 ppm Mo, including 43 samples returning > 30 ppm Mo. Assay results are shown on figures 7 and 8.

The distribution of and correlation between precious, base metals and pathfinder elements in both, rock and soil samples, confirm the geological mapping which indicate the presence of an epithermal system lying on top of relatively shallow, porphyry style mineralization.

Q. Soroche and Q. Caña Brava: Mo is dominantly anomalous at Q. Soroche (values of 30-60 ppm are highly anomalous). The Mo content in rock samples at this location and to a minor extent at Q. Caña Brava (both with no significant associated Pb-Zn) associated with modest Cu anomalism suggests a close spatial relationship with an underlying porphyry centre at both locations. Results from soil sampling indicate that Mo is the most discrete element, and is possibly located directly over the Q. Soroche porphyry target and a subsidiary porphyry target at Q. Caña Brava. The Cu-Au-Mo correlation evidence a typical porphyry geochemical signature.

Soroche Norte: This area is characterized the presence of NE oriented structures, brecciated and silicified

ribs. Most of the element correlations at the northern edge of Q. Soroche and at Soroche Norte (which are moderately correlated) are between elements that are typical of base-metal-bearing intermediate sulphidation epithermal veins (Au-Pb-Zn +/- Ag-As-Sb-Hg), believed to be peripheral to the central, potassic altered, Q. Soroche and Q. Caña Brava areas.

Noreste (NE) sector: This area shows the most extensive alteration. Scarcity of outcrops does not allow to fully delimit its extent. Prospectivity of this sector is indicated by anomalous gold and silver in rocks (>100 ppb Au and > 5 g/t Ag) and in soils, by anomalous copper in rocks (>100 ppm Cu) and soils in the SE part. HS epithermal alteration and mineralization in this sector could be linked to the Fierro Urco HS prospect further northeast.

The above zoning patterns suggest that a porphyry system may lie at depth below Q. Soroche and Q. Caña Brava, with peripheral higher-level intermediate sulphidation Au-Ag-Pb-Zn+/-Cu veins occurring off the northern margin of the system at Soroche Norte, and with a poorly exposed high sulphidation system in the NE corner of the 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.

Assaying

All samples were delivered by Cornerstone employees for preparation at Acme Analytical Laboratories (ACME) affiliate laboratory in Cuenca. Rock samples are prepared by crushing 1 kg to 80% passing 2 mm (10 mesh), splitting 250 g and pulverizing to 85% passing 0.06 mm (150 mesh) (ACME code PRP 80-250). Soil samples are prepared being dried at low temperature, sieved 100g to 80 mesh (ACME code SS80)

Prepared samples are then shipped to ACME in Vancouver, Canada where rock samples are assayed for gold (ACME code FA430: F.A., 30g, AAS finish) and a multi-element suite (ACME code AQ201: 15 g split, Aqua Regia digestion, ICP-MS finish). Soil samples are assayed for gold and a multi-element suite (ACME AQ201: 15 g split, Aqua Regia digestion, ICP-MS finish)

Quality Assurance / Quality Control (QA/QC)

The ACME affiliate preparation facility in Cuenca was audited by Cornerstone. ACME is an ISO 9001:2008 qualified assayer that performs and makes available internal assaying controls. Duplicates, certified blanks and standards are systematically used as part of Cornerstone's QA/QC program. Rejects and 100 g pulps for each rock sample are stored in Cuenca 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 e-mail at** ir@cornerstoneresources.ca**; or toll free at 1-877-277-8377.**

Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Contact

Cornerstone Capital Resources Inc.
Investor, Corporate or Media Inquiries:
Investor Relations
North America toll-free: 1 (877) 277-8377
ir@cornerstoneresources.ca
www.cornerstoneresources.com