

Editor's Note: There are 6 figures associated with this release.

[Cornerstone Capital Resources Inc.](#) ("Cornerstone" or "the Company") (TSX VENTURE:CGP) (FRANKFURT:GWN) (BERLIN:GWN) (OTCBB:CTNXF) announces the following project update for the Cascabel copper-gold porphyry joint venture exploration project in northern Ecuador, in which the Company has a 15% interest financed through to completion of a feasibility study. SolGold Plc is funding 100% of the exploration at Cascabel and is the operator of the project.

Figures, table and photographs referred to in this news release 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/NR16-22Figures.pdf>.

HIGHLIGHTS:

- Drill Hole CSD-16-018 ("Hole 18") is at a depth of 1829.7m, extending the lower portions of the Alpala deposit, and supporting the existence of the deepest mineralized intrusive body discovered at the project to date. Drilling continues towards a planned depth of 2300m. Hole 18 has intersected copper mineralization from 903.9m to the current depth (a 925m intersection, with an estimated true width⁽¹⁾ of 667m), including a 330m intersection (estimated true width 237m) of intense quartz - copper sulphide veining, from 1179.7m to 1509.3m.
- Drill Hole CSD-16-019 ("Hole 19") is at a current depth of 727.9m. Drilling intersected copper mineralization from 473.1m depth (a 254m intersection, with an estimated true width of 183m), which continues at current depth. Bornite, a 64% copper sulphide mineral, occurs from 668m depth in Hole 19, supporting the existence of the shallowest mineralized intrusive body discovered at the project to date, and extends the upper portions of the Alpala deposit above Holes 12 and 16. Drilling continues to the planned depth of 1600m.
- Drill Hole CSD-16-020R ("Hole 20R") is at a current depth of 676.7m, as drilling passes through hydrothermal breccias and volcanic rocks towards the deepest richest portion of the Alpala Deposit, some 600m below known mineralization.
- Mobilization of an additional, large, track mounted, deep hole directional Sandvik DE880 top drive drilling rig ("Rig 4") has begun. Engineering and building of a third, custom, deep hole directional man-portable Hydracore drilling rig ("Rig 5") with depth capabilities up to 2600m is underway.
- An Independent Technical Report on the Cascabel Project is in preparation under National Instrument 43-101 and accompanying Documents 43-101F1 and 43-101CP by SRK Exploration.

1. Estimates have been made in defining true widths due to insufficient drilling in the outer limits of the currently known extension of the Alpala deposit and drill results not having yet been assayed and interpreted. These estimates may change as more drilling is completed and results continue to be processed.

FURTHER INFORMATION:

The Cascabel Project is located on the gold-rich northern section of the prolific Andean Copper belt renowned as the production base for nearly half of the world's copper (Figure 1: <http://www.marketwire.com/library/20161222-fig1.png>). The project area hosts mineralization of Eocene age, the same age as numerous Tier 1 deposits along the Andean Copper Belt in Chile and Peru to the south. The project base is located at Rocafuerte, in northwestern Ecuador just west of the City of Ibarra, approximately 3 hours drive north of Quito and close to water, power supply and Pacific Ports (Figure 2: <http://www.marketwire.com/library/20161222-fig2.png>). SolGold holds an 85% interest in ENSA (Exploraciones Novomining S.A.) which holds the Cascabel concession.

Fourteen different targets have been defined at Cascabel and only one of these, the Alpala Deposit has been drilled to date. The deposit at Alpala continues to grow with each new drill hole. Drilling has focussed on defining the geometry of the Alpala deposit, which is open in all directions. Over 26,850m of drilling has been completed to date (Figure 3: <http://www.marketwire.com/library/20161222-fig3.png>).

Planned drilling for the coming quarter focuses on expansion of the Alpala deposit as well as testing of the south easterly extensions of the greater Alpala system, at Hematite Hill and Alpala Southeast. (Figure 4: <http://www.marketwire.com/library/20161222-fig4.jpg>).

Examples of selected mineralization in drill core intersected to date in Holes 18 and 19 show intense porphyry style veining and associated visual copper mineralisation (Figures 5 and 6: <http://www.marketwire.com/library/20161222-fig5.jpg>; <http://www.marketwire.com/library/20161222-fig6.png>).

About Cascabel:

SolGold Plc owns 85% of the equity of Exploraciones Novomining S.A. ("ENSA"), an Ecuadorean company that holds 100% of the Cascabel concession in northern Ecuador. Cornerstone owns the remaining 15% of ENSA. SolGold is funding 100% of the exploration at Cascabel and is the operator of the project. Cornerstone's 15% interest is financed through completion of a feasibility study.

Cascabel is located in northwestern Ecuador in an under-explored northern section of the Andean Copper Belt, 60 km northeast of the undeveloped inferred resource of 982 million tons at 0.89% Cu Llorimaga (formerly Junin) copper project (0.4% Cu cut-off grade; Micon International Co. Ltd. Technical Report for Ascendant Exploration SA, August 20, 2004, pages 28 & 29). Mineralization identified at the Llorimaga copper project is not necessarily indicative of the mineralization on the Cascabel Property.

Plans:

To date SolGold has completed geological mapping and soil sampling over 25 km², along with and an additional 9km² of Induced Polarisation and 14km² Magnetotelluric "Orion" surveys over the Alpala cluster and Aguinaga targets. SolGold has completed over 25,000m of drilling and expended over USD 35M on the program, corporate costs and investments into Cornerstone. Intense diamond drilling is planned for the next 12 months with multiple drill rigs.

The Alpala deposit is open at depth and in the upper extensions, as well as to the north, north-east, south-east and south-west. The mineralized zone at Alpala and Moran is closely modelled by magnetic signatures and currently encompasses over 10Bt of magnetic rock expected to be mineralized with copper and gold.

SolGold is focussing on extending the dimensions of Alpala before completing a resource statement and drill testing the other key targets within the Cascabel concession at Alpala Southeast, Aguinaga, Trivino, Moran, Alpala Northwest, Hematite Hill, Cristal, Parambas, Carmen, Tandayama-America and Chinambicito. SolGold is planning further metallurgical testing and completion of a conceptual early stage mine and plant design and a scoping study (which may not be the equivalent of a National Instrument 43-101 Preliminary Economic Assessment) for an economic development at Cascabel. SolGold is investigating both high tonnage / low-medium grade open cut and underground block caving operations, and a high grade / low tonnage underground development.

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 the ENSA core logging facility, and half of the core is delivered by ENSA employees for preparation at LAC y Asociados ISO 9001-2008 certified sample preparation facility in Cuenca. Core samples are prepared crushing to 70% passing 2 mm (10 mesh), splitting 250 g and pulverizing to 85% passing 75 microns (200 mesh) (MSA code PRP-910). Prepared samples are then shipped to MSA Analytical Services (MSA), an ISO 9001-2008 laboratory in Langley, BC, Canada where samples are assayed for a multi-element suite (MSA code IMS-230, 0.2g split, 4-acid digestion, ICP-AES/MS finish). Over limit results for Cu (>1%) are systematically re-assayed (MSA code ICF-6Cu, 0.2 g, 4-acid digestion, ICP-AES finish). Gold is assayed using a 30 g split, Fire Assay (FA) and AAS finish (MSA code FAS 111). Over limit results for Au (>10 g/t) are systematically re-assayed (MSA code FAS-415, FA, 30g., gravimetric finish).

Drill hole intercepts from the Cascabel Property are calculated using a data aggregation method, defined by copper equivalent cut-off grades and reported with up to 10m internal dilution, excluding bridging to a single sample. Copper equivalent grades are calculated using a gold conversion factor of 0.89, determined using copper price of US\$2.20/pound and gold price of US\$1350/ounce. Copper equivalent calculation assumes 100% recoveries of copper and gold.

All reported drill core intervals from the Cascabel Property are core lengths, unless otherwise indicated. At present the true thicknesses of all of the holes has not been calculated by SolGold. Low-grade intersections, where applicable, are expressed as average true widths (utilizing the "B-vein > 0.5%" shell orientations). High-grade intersections are better constrained for holes 1, 5, 8 and 9, and these intersections are also expressed as average true widths (utilizing the "B-veins > 20%" shell orientations).

Quality assurance / Quality control (QA/QC)

The MSA Analytical Laboratory is a qualified assayer that performs and makes available internal assaying controls. Duplicates,

certified blanks and standards are systematically used (1 control sample every 15-20 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.](http://www.cornerstoneresources.com) 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.

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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Contact

Investor Relations
(613) 421-6923
ir@cornerstoneresources.ca