Cornerstone Capital Resources Inc Cascabel Exploration Update

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Alpala copper-gold deposit continues to grow with assay results from Holes 23R-D1 and 24-D1R. Rigs 6 and 7 arrive at Cascabel.

OTTAWA, Oct. 06, 2017 - Cornerstone Capital Resources Inc. ("Cornerstone" or "the Company") (TSXV:CGP) (Frankfurt:GWN) (Berlin:GWN) (OTC:CTNXF) announces the following update on the drilling results of holes 23R-D1 and 24-D1R, and the progress of drilling, at the Cascabel copper-gold porphyry joint venture exploration project in northern Ecuador.

Figure 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/NR17-34Figure.pdf.

HIGHLIGHTS:

- Hole 23R-D1 (Alpala Central) assay results return 695.1m1 grading 1.37% copper equivalent2 (0.72% copper, 1.02 g/t gold) from 694.9m, including 458.0m grading 1.68% copper equivalent (0.88% copper, 1.26 g/t gold) from 838.0m.

- Hole 24-D1R (Alpala Southeast) final assay results return 512.9m grading 0.53% copper equivalent (0.34% copper, 0.30 g/t gold) from 755.2m, including 262.8m grading 0.86% copper equivalent (0.52% copper, 0.53 g/t gold) from 755.2m.

- Hole 23R-D1 extends known mineralization in the central portion of the Alpala Deposit approximately 90m east.

- Hole 24-D1R extends Alpala Southeast mineralization beneath Hole 24 by approximately 130m and is interpreted to represent the upper portions of a strongly mineralized porphyry system at depth. Further drill testing at Alpala Southeast by Rigs 2 and 3 is underway.

- Drilling program to be further expanded to 12 drill rigs by January 2018. Man-portable drill rigs 6 and 7 have arrived at Cascabel. Second and third drilling contractors signed with rigs 8, 9, 10 and 11 scheduled for arrival November 2017 and rig 12 in January 2018.

- Geophysical 3DIP survey is on schedule with completion of the Spartan portion (magneto telluric to 3 km depth), and commencement of the Orion portion (conductivity and resistivity to 2 km depth) of the state of the art hybrid survey. Data processing and final results are expected mid-November 2017.

- Re-processing and maturation of 3D MVI magnetic models over the greater Alpala area, Aguinaga, Tandayama-America, and Chinambicito nears completion with final targeting expected to be available mid-October.

- Assays for holes 26-D1, 26-D2, 28, 29, 29-D1, 29-D2, 30, 30-D1, 31, 31-D1 and 32 remain pending.

FURTHER INFORMATION:

Drilling Results - Continued Growth at Alpala

The Alpala deposit continues to grow with each new drill hole as drilling focuses on high grade porphyry centres at Alpala Northwest, Alpala Central and Alpala Southeast. Over 50,000m of drilling has been completed to date along the greater Alpala trend (Figure 1), with the use of the directional drilling techniques for deviated path holes from existing parent holes (Devicotm), delivering significant time and cost advantages.

The Company is directing drilling capability and operations currently to the collection of drill data to be used in the delivery of a Maiden Resource Estimate and is preparing to make several follow up resource estimation updates through 2018 as drilling continues to expand the resource at Alpala as well as identify new resources at satellite prospects such as Aguiñaga, Cristal, Moran, and Tandayama-America.

Hole 23R-D1 (Rig 1 Alpala Central) was a “daughter” hole drilled to the east off “parent” Hole 23R from 694.9m depth, testing for the eastern extensions to the high-grade intrusions intersected in Hole 23R, which recently returned 770.0m @ 1.44% copper equivalent (0.71% Cu, 1.16 g/t Au).

Hole 23R-D1 assay results returned 695.1m grading 1.37% copper equivalent (0.72% copper, 1.02 g/t gold) from 694.9m, including 458.0m grading 1.68% copper equivalent (0.88% copper, 1.26 g/t gold) from 838.0m.

The mineralization encountered in Hole 23-D1R extends known mineralization in the central portion of the Alpala Deposit approximately 90m east.

Hole 24-D1R (Rig 3 Alpala Southeast) was a “daughter” hole drilled off “parent” Hole 24 from 735.0m depth, testing for depth extensions to the mineralization discovered in Hole 24 which recently returned 160m @ 1.04% copper equivalent (0.63% Cu, 0.65 g/t Au).

Hole 24-D1R (Alpala Southeast) final assay results returned 512.9m grading 0.53 % copper equivalent (0.34% copper, 0.30 g/t gold), including 262.8m grading 0.86% copper equivalent (0.52% copper, 0.53 g/t gold) from 755.2m.

The mineralization encountered in Hole 24-D1R extends Alpala Southeast mineralization beneath Hole 24 by approximately 130m. Intersections in holes 24 and 24-D1R are interpreted to represent the upper portions of a strongly mineralized porphyry system at depth and further drill testing at Alpala Southeast by Rigs 2 and 3 is underway. Significant high level bornite mineralization was encountered in drillhole 24-D1R

Detailed intersections achieved in Holes 23R-D1 and 24-D1R, showing data aggregation method, are detailed in Table 1.

Hole ID	Depth From m	Depth To m	Interval m	Cu %	Au g/t	CuEq %	Cut-off (CuEq%)
CSD-17-023R-D1	694.9	1440	745.1	0.69	0.95	1.29	
CSD-17-023R-D1	694.9	1390	695.1	0.72	1.02	1.37	
CSD-17-023R-D1	649.9	1332	682.1	0.76	1.09	1.45	
CSD-17-023R-D1	838	1296	458	0.88	1.26	1.68	
CSD-17-023R-D1	942	1224	282	1.10	1.81	2.24	
CSD-17-023R-D1	958	1212	254	1.16	1.93	2.38	
CSD-17-024-D1R	755.2	1268.1	512.9	0.34	0.30	0	
CSD-17-024-D1R	755.2	1018	262.8	0.52	0.53	0.86	
CSD-17-024-D1R	755.2	964	208.8	0.62	0.65	1.03	
CSD-17-024-D1R	755.2	962	206.8	0.62	0.65	1.03	
CSD-17-024-D1R	755.2	916	160.8	0.71	0.76	1.19	

Data Aggregation Method: Intercepts reported using copper equivalent cutoff grades with up to 10m internal dilution, excluding bridging to a single sample. Minimum intersection length 50m. Gold Conversion Factor of 0.63 calculated from a copper price of US$3.00/lb and a gold price US$1300/oz. True widths of downhole interval lengths are estimated to be approximately 25% to 50%.

Table 1: Selected intervals from Holes CSD-17-023R-D1 and CSD-17-024-D1R

Current Drill Holes at Alpala – Expanding Resource Potential

Hole 26-D1 (Rig 4 Alpala Northwest) was completed at 1662.7m depth on September 7, 2017. Hole 26-D1 was a “daughter” hole drilled off “parent” Hole 26 from 788.5m depth. Hole 26-D1 intersected strongly mineralized diorite and lesser quartz-diorite porphyry over an (approximate) 470m interval from 1180m to 1650m. Assay results are pending.

Hole 26-D2 (Rig 4 Alpala Northwest) is the second “daughter” hole drilled off “parent” Hole 26 from 778.3m depth and is at a current depth of 1333.3m. Hole 26-D2 has, to date intersected strongly mineralized diorite porphyry over an open-ended 218m interval from 1115.3m to 1333.3m. Hole 26-D2 continues to intersect porphyry stockwork veining and copper sulphide mineralization at the current depth of 1333.3m.

Hole 29 (Rig 5 Alpala East) commenced drilling on August 9, 2017, and is at a current depth of 901.0m, Hole

29 is currently on hold while the second “daughter” Hole 29-D2 is drilled to completion, before deepening of Hole 29 continues. Hole 29 is planned to test deeper high-grade extensions along the eastern flank of the Alpala Central deposit and is targeting a 200m extension to the east of the known Alpala Central portion of the deposit.

Hole 29-D1 (Rig 5 Alpala East) was a “daughter” hole drilled off “parent” Hole 29 from 450.2m depth, and was completed at a depth of 1168.4m on September 20, 2017. Hole 29-D1 intersected strongly mineralized diorite porphyry and minor late stage hydrothermal breccia over an (approximate) 202m interval from 966m to 1168.4m. Hole 29-D1 is planned to extend mineralization some 350m below Hole 29-D1 and also infill mineralization between Holes 23R-D1, 16 and 21.

Hole 29-D2 (Rig 5 Alpala East) commenced drilling on November 1, 2017. Hole 29-D2 is the second “daughter” hole drilled off “parent” Hole 29 from 901.00m depth. Hole 29-D2 is at a current depth of 930.1m, towards a target some 150m below planned to infill mineralization between Holes 23R-D1 and 25. Assay results remain pending.

Hole 30 (Rig 1 Alpala Central) commenced drilling on August 18, 2017, and is at a current depth of 634.0m. Hole 30 is infilling between Holes 22 and 27 focusing on confirming resource potential at Alpala Central. The hole is currently on hold whilst the first “daughter” Hole 30-D1 is drilled to completion, before deepening of Hole 30. Hole 30 is planned to infill mineralization between holes 16, 19, 27, 28 and 30-D1 focusing on providing required drill spacing for resource confidence at Alpala Central.

Hole 30-D1 (Rig 1 Alpala Central) commenced drilling on September 4, 2017. Hole 30-D1 was a “daughter” hole drilled off “parent” Hole 30 from 527.8m depth, and was completed at a depth of 1109.8m on September 4, 2017. Hole 30-D1 intersected volcanic host rocks and minor mineralized diorite porphyry. Hole 30-D1 was planned to extend mineralization between holes 19, 28 and 27, extending mineralization approximately 150m southeast of Hole 22. Assay results remain pending.

Hole 31 (Rig 3 Alpala Southeast) commenced drilling on August 27, 2017, from a drill site approximately 100m north of the Hole 24 and 24-D1R drill site. Hole 31 is at a current depth of 606.0m, and is currently on hold whilst the first “daughter” hole 31-D1 is drilled to completion, before deepening of Hole 31 continues. Hole 31 is planned to infill mineralization between holes 24-D1 and 27. Assay results remain pending.

Hole 31-D1 (Rig 3 Alpala Southeast) commenced drilling on September 15, 2017, and is at a current depth of 1192.3m. Hole 31-D1 has intersected volcanic host rocks and minor mineralized diorite porphyry, towards a planned depth of 1500m. Hole 31-D1 is planned to infill mineralization between holes 24-D1 and 27, above planned Hole 31.

Hole 32 (Rig 2 Alpala Southeast) commenced drilling on September 15, 2017, following a rig move approximately 250m east of the Hole 28 drill site, and is at a current depth of 560.2m. Hole 32 has intersected volcanic host rocks, towards a planned depth of 1800m. Hole 32 is planned to extend mineralization at depth approximately 100m east of Hole 25.

Expanding Drill Program

The Cascabel drilling program is expanding to 12 drill rigs by January 2018 using three experienced drilling contractors.

Two more man-portable drill rigs (Rigs 6 and 7) have arrived at site and are expected to commence drilling at Alpala in the coming week. A second drilling contractor has mobilized further two large track-mounted Sandvik drill rigs (Rigs 8 and 9) via sea freight, which are expected to arrive at site Early November. A third drilling contractor is expected to deliver a two track mounted drill rigs (Rigs 10 and 11) by mid-November, ahead of the arrival of Rig 12 in January 2018. The total metres scheduled for 2018 is 126,000m.

Maturation of Geophysics Targets

The geophysical 3DIP survey is on schedule with completion of the Spartan portion, and commencement of the Orion portion of the state of the art hybrid survey. Data processing and final results are expected in mid-November 2017.

The re-processing and maturation of 3D MVI magnetic models over the greater Alpala area, Aguinaga, Tandayama-America, and Chinambicito nears completion with final targeting expected to be available in mid-October.

About Cascabel:

Exploraciones Novomining S.A. (“ENSA”), an Ecuadorean company owned by SolGold Plc and Cornerstone, holds 100% of the Cascabel concession. Subject to the satisfaction of certain conditions, including SolGold’s fully funding the project through to feasibility, SolGold Plc will own 85% of the equity of ENSA and Cornerstone will own the remaining 15% of ENSA. SolGold Plc is funding 100% of the exploration at Cascabel and is the operator of the project.

Cascabel is 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 Llurimaga (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 Llurimaga 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, assaying and reporting

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 ALS Minerals Laboratories (ALS) sample preparation facility in Quito. Core samples are prepared crushing to 70% passing 2 mm (10 mesh), splitting 250 g and pulverizing to 85% passing 75 microns (200 mesh) (ALS code CRU-31, SPL21 and PUL-32). Prepared samples are then shipped to ALS in Lima, Peru where samples are assayed for a multi-element suite (ALS code ME-MSP61, 1g split, 4-acid digestion, ICP-MS finish). Over limit results for Ag (> 100 g/t) and Cu, (> 1%) are systematically re-assayed (ALS code Ag-AA62, 4-acid digestion, AAS finish). Gold is assayed using a 30 g split, Fire Assay (FA) and AA finish (ALS code Au-AA23).

Drill hole intercepts 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 0.63, determined using an updated copper price of USD3.00/pound and an updated gold price of USD1300/ounce. Copper equivalent calculation assumes 100% recoveries of copper and gold.

Quality assurance / Quality control (QA/QC)

The ALS 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). 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 with a diversified portfolio of projects in Ecuador and Chile, and a proven ability to identify, acquire and advance properties of merit.

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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Due to anti-spam laws, many shareholders and others who were previously signed up to receive email updates and who are no longer receiving them may need to re-subscribe at http://www.cornerstoneresources.com/s/InformationRequest.asp

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 after 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

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.

Note 1 Not true width - All intercepts announced in this news release are down-hole intercepts. True widths are estimated at 25% to 50% of the drill hole intersection.

Note 2 All % copper equivalent in this news release are defined using a Gold Conversion Factor of 0.63 calculated from a copper price of US$3.00/lb and a gold price of US$1300/oz