Cascabel Exploration Update - Drilling results promise further growth at Alpala - Aguiñaga Hole 6 intersects strong mineralization 30m below surface

13.07.2018 | GlobeNewswire

OTTAWA, July 13, 2018 -- Cornerstone Capital Resources Inc. (“Cornerstone” or “the Company”) (TSXV:CGP) (Frankfurt:GWN) (Berlin:GWN) (OTC:CTNXF) is pleased to announce the following update on the exploration program at its 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.

Figures 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/NR18-21Figures.pdf.

HIGHLIGHTS:

- Extension drilling at Alpala Central “High-Grade Core” is expected to extend the high-grade resource along the lower and northeast margins of the deposit. Infill drilling at Alpala Central is expected to upgrade the resource, where early stage copper and gold containing intrusions appear on drill evidence to be more continuous than previously modeled. Hole 55R returned 458m (true width 183m) @ 0.71% “CuEq”[1] (from 542m depth), incl. 66m (true width 26m) @ 1.17% CuEq (from 934m depth). Hole 41-D1-D2, has so far intersected over 380m of copper sulphide mineralization (drilling continues). Hole 58 intersected approximately 980m of copper sulphide mineralization (assay results pending).
- Extension drilling at Alpala Central “Western Lobe” continues to intersect shallow mineralization above the existing resource limits along the southwest margin of the deposit, in a large lobe of early diorite intrusion hosting high-grade mineralization (>1.5% CuEq) to within 450m of surface, approximately 250m closer to surface than previously modeled. Hole 60 intersected approximately 180m of copper sulphide mineralization (assay results pending).
- Extension drilling at Alpala Northwest and Trivinio continues to extend the Alpala deposit. Hole 56 intersected a strongly altered fault zone returning 4m @ 172 g/t Au (QAQC re-assay of pulp, reject, and quarter core re-assay pending). Hole 56-D1 has so far intersected approximately 305m of copper sulphide mineralization (drilling continues). Hole 59R intersected approximately 570m of copper sulphide mineralization (assay results pending).
- Aguiñaga drilling has confirmed near surface potential. Hole 6 has intersected a strongly mineralized early diorite intrusion, containing chalcopyrite, from 30m below surface (drilling continues). Hole 7 has so far intersected 67m of copper sulphide mineralization from 55m below surface (drilling continues).

FURTHER INFORMATION:

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 Llurimaga (formerly Junin) copper project[2] (Figure 1).

Approximately 127,000m of diamond drilling has been completed on the project. Currently, 12 drill rigs are active on site, with 10 rigs drilling on the Alpala cluster (Figure 2), and 2 rigs drilling at the Aguiñaga prospect (Figure 3). The Cascabel drill program focuses on extending and infilling the Alpala resource, as well as further drill testing of the evolving Aguiñaga prospect, as drilling is targeting the geometry and extent of early diorite intrusions hosting copper-gold mineralization. Drill testing of the Trivinio target has commenced, while

the numerous other untested targets, namely at Moran, Cristal, Tandayama-America and Chinambicito, are flagged for drill testing as overall program demands allow.

A detailed summary of recent assay results at Alpala and Aguiñaga is shown in Table 1.

Hole ID	DepthFrom m	DepthTo m	Interval m	True width m	Cu %	Au g/t	*CuEq %*	Cut-off *(CuEq%)*	Comment
AGD-18-001	328	676	348	139	0.30	0.12	*0.37*	0.20	
AGD-18-001	374	592	218	87	0.35	0.15	*0.45*	0.30	
AGD-18-001	388	510	122	49	0.40	0.18	*0.52*	0.40	
AGD-18-002	344	516	172	69	0.34	0.13	*0.42*	0.30	
AGD-18-002	406	452	46	18	0.50	0.22	*0.63*	0.50	
CSD-18-041-D1-D1	1017.9	1449	431.1	172	0.41	0.24	*0.56*	0.30	
CSD-18-041-D1-D1	1202	1449	247	99	0.45	0.33	*0.65*	na	open at depth
CSD-18-041-D1-D1	1356	1449	93	37	0.48	0.37	*0.71*	0.50	open at depth
CSD-18-042-D2	312	1110	798	319	0.32	0.24	*0.47*	0.10	bulk, halo.
CSD-18-042-D2	312	614	302	121	0.45	0.50	*0.76*	0.20	
CSD-18-042-D2	312	364.5	52.5	21	0.78	1.34	*1.63*	0.40	
CSD-18-042-D2	312	552	240	96	0.52	0.59	*0.90*	0.40	
CSD-18-043	600	1574	974	390	0.48	0.37	*0.71*	0.10	bulk halo
CSD-18-043	636	1534	898	359	0.51	0.40	*0.76*	0.30	
CSD-18-043	896	1412	516	206	0.61	0.58	*0.98*	0.40	
CSD-18-043	932	1410	478	191	0.64	0.61	*1.02*	0.50	
CSD-18-043	1090	1408	318	127	0.70	0.73	*1.16*	0.70	
CSD-18-043	1108	1268	160	64	0.90	1.06	*1.56*	1.00	
CSD-18-044	648	1303.7	655.7	262	0.24	0.11	*0.31*	0.10	bulk, halo. open at depth
CSD-18-044	800	1142	342	137	0.29	0.14	*0.38*	0.20	
CSD-18-044	908	1042	134	54	0.41	0.25	*0.57*	0.30	
CSD-18-048	530	747.8	217.8	87	0.50	0.23	*0.65*	0.30	open at depth
CSD-18-048	524	620	96	38	0.62	0.39	*0.86*	0.50	
CSD-18-048	550	600	50	20	0.78	0.58	*1.15*	0.70	
CSD-18-049	850	1700	850	340	0.49	0.28	*0.66*	0.10	
CSD-18-049	872	1316	444	178	0.60	0.38	*0.83*	0.30	
CSD-18-049	882	1150	268	107	0.77	0.56	*1.12*	0.60	
CSD-18-049	890	1010	120	48	1.01	0.88	*1.57*	1.00	
CSD-18-049	1494	1668	174	70	0.53	0.29	*0.71*	0.30	
CSD-18-051	714	1408	694	278	0.43	0.28	*0.61*	0.20	
CSD-18-051	826	1302	476	190	0.53	0.36	*0.75*	0.30	
CSD-18-051	1084	1278	194	78	0.81	0.74	*1.28*	0.40	
CSD-18-051	1226	1278	52	21	1.94	2.48	*3.51*	0.50	
CSD-18-052	604	1134	530	212	0.26	0.11	*0.33*	0.10	
CSD-18-052	932	1134	202	81	0.35	0.15	*0.44*	0.10	
CSD-18-052	946	1052	106	42	0.53	0.22	*0.67*	0.40	
CSD-18-054	1058	1190	132	53	0.29	0.14	*0.38*	0.10	open above, results above
CSD-18-054	1088	1190	102	41	0.32	0.16	*0.43*	0.30	
CSD-18-055R	542	1064	522	209	0.52	0.22	*0.66*	0.10	open at depth, results belo
CSD-18-055R	542	1000	458	183	0.56	0.24	*0.71*	0.30	
CSD-18-055R	542	594	52	21	0.82	0.33	*1.03*	0.30	
CSD-18-055R	628	1000	372	149	0.54	0.25	*0.70*	0.40	
CSD-18-055R	934	1000	66	26	0.78	0.63	*1.17*	0.50	
CSD-18-056	448	452	4	2	0.21	172.00	*108.57*	na	wait for high grade QAQC
CSD-18-056	520	1124	604	242	0.36	0.13	*0.45*	na	

CSD-18-056	646	844	198	79	0.47	0.17	*0.58*	0.50	results below 1158m pend
CSD-18-057	500	682	182	73	0.31	0.26	*0.47*	0.10	open at depth, results belo
CSD-18-057	558	682	124	50	0.38	0.34	*0.60*	0.30	open at depth, results belo
CSD-18-057	588	682	94	38	0.43	0.39	*0.68*	0.50	open at depth, results belo
CSD-18-057	622	682	60	24	0.44	0.47	*0.74*	0.70	open at depth, results belo

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

Alpala Targeted Resource Additions and Conversions

Assay results from the initial 53,616m of drilling at Alpala were incorporated into the Alpala maiden Mineral Resource Estimate (MRE) completed in December 2017 and announced on January 3, 2018. A further 73,384m of drilling has been completed since development of the MRE, and major resource growth is expected in a revised MRE.

Project operator SolGold geologists continue to observe extensions of mineralization outside current inferred and indicated resource blocks at Alpala as well as substantial upgrading of previously estimated resource tonnage to higher grades as drill hole density increases throughout the deposit area.

The recent and ongoing drilling at Alpala Central is also predicted to significantly increase the resource estimate of the high-grade core at Alpala. Infill drilling at Alpala Central is expected to upgrade the high-grade resource, where early stage copper and gold rich intrusions appear on drill evidence to be more continuous than previously modeled.

Extension drilling at Alpala Central is expected to extend mineralization beyond the high-grade resource along the lower and northeast margins of the deposit, while drilling at Alpala Northwest and Alpala Southeast continues to expand the Alpala Deposit.

Extension drilling at Alpala Central continues to intersect shallow mineralization above the existing resource limits, along the southwest margin of the deposit, in a large lobe of early diorite intrusion hosting high-grade mineralization (>1.5% CuEq) to within 450m of surface, approximately 250m closer to surface than previously modeled.

Exploration drilling at the Trivinio prospect recently revealed the potential for major north extensions to the Alpala deposit.

Highlights from recent assayed drilling results at Alpala include:

- Hole 55R (Alpala Central 'High-Grade Core”): 458m @ 0.71% CuEq from 542m, including 66m @ 1.17% CuEq from 934m.
- Hole 57 (Alpala Central 'High-Grade Core”): partial assay results to 682m, 124m @ 0.60% CuEq from 558m, including 60m @ 0.74% CuEq from 622m; both open at depth. Drilling continues. Further assay results pending.
- Hole 54 (Alpala Northwest): 102m @ 0.43% CuEq from 1088m.
- Hole 56 (Alpala Northwest): partial assay results to 870m, 604m @ 0.45% CuEq from 520m, incl. 186m @ 0.59% CuEq.
- Hole 56 (Alpala Northwest): strongly altered fault zone, 4m @ 172.00g/t Au, from 448m depth (QAQC re-assay of pulp, reject, and quarter core re-assay pending).

Drill hole assays have been received for 102,193m metres of drilling to date, while approximately 24,800m of drilling has assays pending. Recent construction of an in-country certified preparation facility by ALS Global is expected to further expedite assay turnaround.

Aguiñaga Drilling Program

Aguiñaga drilling is progressing with hole 7 under way. Hole 6 intersected a strongly mineralized early diorite intrusion from 30m below surface. Hole 6 is located near the summit of Aguiñaga hill and lies approximately 400m SSE of mineralization discovered in previous drill holes. Hole 7 has thus far intersected 67m of copper sulphide mineralization from 55m below surface.

Drilling now demonstrates a vertical column to the mineralizing system of more than 700m, a width of up to 350m, along a 400m length. The drilling program at Aguiñaga is in its early stages. As drilling progresses, the geometry and extent of mineralization is becoming more apparent. The evolving near surface potential at Aguiñaga, coupled with strong propylitic alteration encountered along the bottom 150m of hole 1 provides strong potential for ongoing discoveries through further drilling.

The scope for a significant near surface copper-gold deposit at Aguiñaga may prove beneficial as early mill feed for the project while the main Alpala decline progresses towards the initial extraction levels at the Alpala Deposit.

Photographs of typical mineralization within the early diorite intrusion intersected in Hole 6 thus far are shown in Figure 4.

About the Cascabel Joint Venture with SolGold:

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 is funding 100% of the exploration at Cascabel and is the operator of the project. SolGold shall receive 90% of Cornerstone’s distribution of earnings or dividends from ENSA to which Cornerstone would otherwise be entitled until such time as the amounts so received equal the aggregate amount of expenditures incurred by SolGold that would have otherwise been payable by Cornerstone, plus interest thereon from the dates such expenditures were incurred at a rate per annum equal to LIBOR plus 2 per cent until such time as SolGold is fully reimbursed.

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 gravity and photographic logging are performed systematically prior to assaying. The core is logged, magnetic susceptibility measured and key alteration minerals identified by experienced loggers and sometimes 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).

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.

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.

About Cornerstone:

Cornerstone Capital Resources Inc. is a mineral exploration company with a diversified portfolio of projects in Ecuador and Chile, including in the Cascabel gold-enriched copper porphyry joint venture in north west Ecuador.

Pursuant to the previously announced plan of arrangement, Cornerstone will spin off all of its assets except for its interests in the Cascabel concession in Ecuador, shares of SolGold plc and the joint venture with Ecuadorian state mining company ENAMI EP into a new company called Cornerstone Exploration Inc. Cornerstone Exploration will own the drill ready Bella Maria, Shyri NW (Vetas Grandes) and Bramaderos properties in Ecuador, an option to own 100% of the drill ready Caña Brava property in Ecuador, the Tioloma property surrounding Caña Brava, the applications for new properties in Ecuador made by Cornerstone subsidiary La Plata Minerales S.A., and the Miocene property in Chile, in addition to Cornerstone's generative exploration databases for Ecuador and Chile. Cornerstone will be re-named Cascabel Gold & Copper Inc. ("Cascabel Gold & Copper").

The plan of arrangement to spinoff Cornerstone Exploration Inc. is proceeding in the ordinary course, pending TSXV approval. We previously estimated completion of the transaction by end of June, but it now looks like completion will occur in July 2018.

Further information is available on Cornerstone’s website: www.cornerstoneresources.com and on Twitter. For investor, corporate or media inquiries, please contact:

Investor Relations:
Mario Drolet; Email: Mario@mi3.ca; Tel. (514) 346-3813

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.

[1] All references in this news release to copper equivalent (CuEq) grades are composed of copper and gold values, 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. True widths of down hole intersections are estimated to be approximately 25-50%.

[2] 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.