Cornerstone Capital Resources Inc. Tandayama-America Mineral Resource Update, Cascabel Project, Ecuador

26.05.2022 | GlobeNewswire

OTTAWA, May 26, 2022 - Cornerstone Capital Resources Inc. (“Cornerstone” or “the Company”) (TSXV:CGP) (OTC:CTNXF) (FWB:GWN1) is pleased to provide an independently verified update regarding the Mineral Resource Estimate (“MRE”) for the Tandayama-Américа (“TAM”) porphyry copper-gold satellite deposit located 3km north of the Alpala Deposit1 at its Cascabel copper-gold porphyry joint venture project in northern Ecuador (see Figure 1) in which Cornerstone has a 15% interest2 financed through to completion of a feasibility study and repayable out of Cornerstone’s share of project earnings, plus 6.85% of the shares of joint venture partner and Project operator SolGold Plc, for a total direct and indirect interest in Cascabel of 20.8%.

Figures referenced in this news release can be viewed through the following link: https://cornerstoneresources.com/site/assets/files/5851/nr22-12figures.pdf.

HIGHLIGHTS

- Total Mineral Resource at the TAM deposit is updated to 528.5Mt @ 0.36% copper equivalent (CuEq)3 for 1.27Mt Cu, and 3.16Moz Au in the Measured plus Indicated categories, equating to an increase in contained metal of approximately 0.74 Mt Cu and 1.96 Moz Au compared to the maiden MRE announced on October 19, 2021.

Mineral Resource Statement: Effective date 30 March 2022

Potential Mining Method	Cut-off Grade (CuEq %)	Resource Category	Tonnage (Mt)	Grade			Contained Metal		
				Cu (%)	Au (g/t)	CuEq (%)	Cu (Mt)	Au (Moz)	CuEq (Mt)
Open Pit	0.16								
		Measured	17.8	0.20	0.16	0.30	0.04	0.09	0.05
		Indicated	338.7	0.23	0.21	0.36	0.78	2.28	1.23
		Inferred	35.7	0.22	0.23	0.36	0.08	0.26	0.13
Underground	0.28								
		Indicated	172.0	0.26	0.14	0.35	0.45	0.78	0.60
		Inferred	69.4	0.26	0.16	0.36	0.18	0.36	0.25

Total Measured + Indicated
528.5 0.24 0.19 0.36 1.27 3.16 1.89
Total Inferred 105.1 0.24 0.18 0.36 0.26 0.62 0.38

Notes:

1. Dr Andrew Fowler, MAusIMM CP(Geo), Principal Geology Consultant of Mining Plus, is responsible for this Mineral Resource statement and is an "independent Qualified Person" as such term is defined in NI 43-101.
2. The Mineral Resource is reported using cut-off grades that are applied according to the mining method where 0.16 % CuEq applies to potentially open-pittable material and 0.28 % CuEq applies to material potentially mineable by underground bulk mining methods. Copper equivalency is discussed in detail in “Reasonable Prospects for Eventual Economic Extraction”.
3. The Mineral Resource is considered to have reasonable prospects for eventual economic extraction by open pit or underground bulk mining such as block caving as described below.
4. Mineral Resources are not Mineral Reserves and do not have demonstrated economic viability.
5. The statement uses the terminology, definitions and guidelines given in the CIM Standards on Mineral Resources and Mineral Reserves (May 2014) as required by NI 43-101.
6. The underground portion of the Mineral Resource is reported on 100 percent basis within an optimized shape as described below.
7. Figures may not compute due to rounding.

- Potentially open pittable Mineral Resources comprise 356.5Mt @ 0.36% CuEq in the Measured plus Indicated categories, plus 35.7Mt @ 0.36% CuEq in the Inferred category, at a cut-off grade of 0.16% CuEq.

- Optimization studies of the potentially open pittable Mineral Resource show a higher-grade internal zone containing 223.3Mt @ 0.41% CuEq which includes an outcropping zone containing 28.0Mt @ 0.43% CuEq and 10.5Mt @ 0.55% CuEq.

- Mineral Resources potentially mineable by underground bulk mining methods comprise 172.0Mt @ 0.35% CuEq in the Indicated category, plus 69.4Mt @ 0.36% CuEq in the Inferred category, at a cut-off grade of 0.28% CuEq.

- Potentially open pittable Measured plus Indicated resources CuEq metal content has grown by 94% compared to the TAM Maiden MRE, to 0.82Mt Cu and 2.37Moz Au in MRE#2. Similarly, TAM underground Measured plus Indicated resources CuEq metal content has grown by 445% to 0.45Mt Cu and 0.78Moz Au in MRE#2.

- Mineral Resources potentially mineable by underground bulk mining methods include a higher-grade core that continues to remain open to the southeast and at depth and will be the focus of further drilling aimed at quantifying potential of other underground mining methods such as sub-level caving and sub-level open stoping.

- Following completion of Hole 42 at TAM on 29 April 2022, the drill machine was moved to the Moran target to commence exploration drilling of hole MOD-22-001. This hole is at a current depth of 414.7m and continues to intersect visible chalcopyrite copper sulphide mineralization from 19.1m to its current depth.

Darryl Cuzzubbo, CEO of Project Operator SolGold commented on the work being advanced at Cascabel:

“The Cascabel project continues to grow with more drilling with the additional resources being identified at TAM providing an open pit resource potentially enabling Cascabel production to be brought forward and a significant risk mitigation to any ramp up delays in the underground production.”

FURTHER INFORMATION

TAM MRE#2

On 30 March 2022, a data cut-off was applied to the TAM dataset for the purposes of an updated Mineral Resource Estimation (“MRE#2”). The TAM MRE#2 dataset comprised 30,892m of diamond drilling from holes 1-41, 458m of surface rock-saw channel sampling from 72 outcrops, and 29,631.6m of final assay results from holes 1-40 (Figure 2). This equates to an additional 15,065.6m of final assays results received since the recent release of TAM maiden MRE.

The estimation process followed the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”) “Estimation of Mineral Resources and Mineral Reserves Best Practice Guidelines” (“CIM, 2019”). The

Mineral Resource Estimate is stated in accordance with CIM Definition Standards (“CIM, 2014”) and Canadian National Instrument 43-101 (“NI 43-101”).

Ordinary Kriging (“OK”) was run in three search passes and with soft boundaries using Leapfrog Edge software. The estimation of Cu and Au was confined within 3D estimation domains, which were based on the combination of two 3D wireframe interpretations:

- Grade Shell Interpretation: Low-, Medium- and High-Grade shells equating to CuEq cut-off grades of 0.15%, 0.30% and 0.45% respectively (Figure 3).

- Lithological Interpretation: Modelling of seven rock groups, comprising “D10” (Pre-Mineral Diorite Host Rock), “EM” (Early-Mineral Quartz Diorite and Diorite), “IBX” (Pre-Mineral Intrusive Breccia), “IM” (Intra-mineral Quartz Diorite and Diorite), “LM” (Late-mineral Diorite), “PM” (Post-mineral Quartz Diorite and Diorite), “V” (Pre-Mineral Volcanic Host Rocks), and “SOI” (soil and oxidised rock) (Figure 4).

Model validation tests have not exhibited any material bias between the input composite grades and the block model estimates.

The TAM MRE is constrained within a 3D Open Pit Optimised Shape (“OP”) and an Underground Optimised Shape (“UG”), whereby the UG “daylights” into the floor of the OP (Figure 5).

The TAM deposit shares the same geological and structural setting as the Alpala deposit. Mineralization is hosted within a complex of middle to late-Eocene (Bartonian) hornblende-bearing diorites, quartz diorites and intrusive breccias that intrude volcanic host rocks to form a complex of stocks, dykes, and breccia pipes.

The trend of mineralization throughout the TAM deposit is defined by a northwest (315○) trending intrusive complex inclined steeply (78○) towards the northeast. Surface mapping data was supported by structural measurements taken from orientated drill core provided data from 127 intrusive contacts and 3062 B-type quartz veins.

Copper and gold mineralization is intimately associated with porphyry style B-type quartz-chalcopyrite veins and stockworks, centred upon an early-mineral causal quartz-diorite intrusion (QD10), and cut by a series of intra-mineral, late-mineral and post-mineral stocks dykes and breccias of diorite, hornblende diorite, and quartz diorite.

Intrusions have emplaced episodically such that each subsequent intrusion has introduced mineralizing fluids (and subsequent arrays of mineralized veins) into the TAM system, and/or remobilizing and enriching existing mineralization or contributed to localized overprinting of pre-existing mineralization.

The geological character of the porphyry stocks / dykes encountered through drilling to date indicate a well-preserved porphyry system with significant potential for greater depth extent. Individual mineralized porphyry dykes are observed to have emplaced within a vertical column of over 1,000m.

The full size and tenor of the TAM system has not yet been tested. Mineralization remains open to the south and east and at depth. Further surface geochemical anomalies to the east of the current drilling area require drill testing.

Reasonable Prospects for Eventual Economic Extraction

The cut-off grades used for reporting have been based on up to date third party metal price research, forecasting of Cu and Au prices, and a cost structure from mining studies currently being reviewed. Costs include mining, processing and general and administration (“G&A”). Net Smelter Return (“NSR”) includes metallurgical recoveries and off-site realisation (“TC/RC”) including royalties and utilising metal prices of Cu at US$3.30/lb and Au at US$1,700/oz.

Cut-off grades have been developed independently for open pit mining methods and underground bulk mining methods. The cut-off grade for potentially open pittable material has been calculated at 0.16% CuEq using a copper equivalency factor of 0.632, while the cut-off grade for material potentially mineable by a bulk underground mining method such as block caving has been calculated at 0.28% CuEq using a copper equivalency factor of 0.654.

Optimization was completed in two stages, with the open pit optimization initially applied to the block model, and the remaining material was then considered for underground optimization.

The open pit optimization was completed using the conventional Lerchs-Grossman optimization routine

implemented in Whittle software, and the revenue factor one pit was selected for reporting the Mineral Resource. The QP considers that the open pit portion of the reported Mineral Resource, has reasonable prospects for eventual economic extraction at the specified cut-off grade.

Subsequently, a three-dimensional Underground Optimized Shape (“UOS”) was generated using Datamine software at a cut-off grade of 0.28% CuEq. This cut-off grade was based on costs associated with the block cave mining method. The UOS maximizes the tonnes above the cut-off while ensuring that all material was part of a minimum mining unit with geometry appropriate for a block cave of 120 m length by 120 m width by 200 m height. These minimum mining dimensions for a block cave are consistent with Mining Plus’s experience and the resulting shape contains planned internal and edge dilution that the QP considers appropriate.

It is noteworthy that the OP and UG optimized shapes are not described as “mineable shapes”. Mining factors excluded from this analysis include, but are not limited to, capital costs (non-mining, access and footprint establishment), regional pillars, footprint geometries, unplanned dilution and the time value of money. However, the shape does enclose a contiguous and appropriately diluted Mineral Resource that, by virtue of its grade and geometry, should be considered for inclusion within a mineable shape. As such, the QP considers that the underground portion of the reported Mineral Resource, has reasonable prospects for eventual economic extraction by the block cave underground mining method at the specified cut-off grade.

An assessment of whether the project as a whole is economically viable has not been made under this analysis.

Moran Target

Following completion of Hole 42 at TAM on 29 April 2022, the drill machine was moved to the Moran target where exploration drilling of hole MOD-22-001 is at a current depth of 414.7m and continues to intersect visible chalcopyrite copper sulphide mineralization from 19.1m to its current depth. The mineralization style holds close affinities to that at the Alpala and TAM deposits, with copper sulphide mineralization formed as “B-type” quartz-chalcopyrite veins and disseminated chalcopyrite mineralization. Visual logging of copper sulphides includes intervals containing over 2.2% chalcopyrite by volume and up to 2.2% “B-type” quartz-chalcopyrite veins by volume.

Mineralization encountered thus far at the Moran target is hosted within volcanic, intrusive breccia and diorite porphyry rocks. Examples of drill core from the last week of drilling are shown in Figures 6, 7 and 8.

Quality Assurance / Quality Control on Sample Collection, Security and Assaying

SolGold operates according to its rigorous Quality Assurance and Quality Control (QA/QC) protocol, which is consistent with industry best practices.

Primary sample collection involves secure transport from SolGold’s concessions in Ecuador, to the ALS certified sample preparation facility in Quito, Ecuador. Samples are then air freighted from Quito to the ALS certified laboratory in Lima, Peru where the assaying of drill core, channel samples, rock chips and soil samples is undertaken. SolGold utilises ALS certified laboratories in Canada and Australia for the analysis of metallurgical samples.

Samples are prepared and analyzed using 100g 4-Acid digest ICP with MS finish for 48 elements on a 0.25g aliquot (ME-MS61). Laboratory performance is routinely monitored using umpire assays, check batches and inter-laboratory comparisons between ALS certified laboratory in Lima and the ACME certified laboratory in Cuenca, Ecuador.

In order to monitor the ongoing quality of its analytical database, SolGold’s QA/QC protocol encompasses standard sampling methodologies, including the insertion of certified powder blanks, coarse chip blanks, standards, pulp duplicates and field duplicates. The blanks and standards are Certified Reference Materials supplied by Ore Research and Exploration, Australia.

SolGold’s QA/QC protocol also monitors the ongoing quality of its analytical database. The Company’s protocol involves Independent data validation of the digital analytical database including search for sample overlaps, duplicate or absent samples as well as anomalous assay and survey results. These are routinely performed ahead of Mineral Resource Estimates and Feasibility Studies. No material QA/QC issues have been identified with respect to sample collection, security and assaying.

Reviews of the sample preparation, chain of custody, data security procedures and assaying methods used by SolGold confirm that they are consistent with industry best practices and all results stated in this

announcement have passed SolGold's QA/QC protocol.

The data aggregation method for calculating Copper Equivalent (CuEq) for down-hole drilling intercepts and rock-saw channel sampling intervals are reported using copper equivalent (CuEq) cut-off grades with up to 10m internal dilution, excluding bridging to a single sample and with minimum intersection length of 50m.

Qualified Person

Information in this news release relating to the exploration results is based on data reviewed by Jason Ward ((CP) B.Sc. Geol.), the Chief Geologist of SolGold Plc, the Project operator. Mr. Ward is a Fellow of the Australasian Institute of Mining and Metallurgy, holds the designation FAusIMM (CP), and has in excess of 20 years' experience in mineral exploration and is a Qualified Person for the purposes of National Instrument 43-101. Mr Ward consents to the inclusion of the information in the form and context in which it appears.

Information in this news release relating to the Mineral Resource Estimate was reviewed by Dr. Andrew Fowler, who is a Chartered Professional Member of the Australasian Institute of Mining and Metallurgy and has over 20 years' experience in Mineral Resource Estimation, open pit mining, underground mining and mineral exploration. He is an independent Qualified Person for the purposes of the relevant TSX Rules. Dr. Fowler consents to the inclusion of the information in the form and context in which it appears.

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 the Cascabel gold-enriched copper porphyry joint venture in northwest Ecuador. Cornerstone has a 20.8% direct and indirect interest in Cascabel comprised of (i) a direct 15% interest in the project financed through to completion of a feasibility study and repayable at Libor plus 2% out of 90% of its share of the earnings or dividends from an operation at Cascabel, plus (ii) an indirect interest comprised of 6.85% of the shares of joint venture partner and project operator SolGold Plc. Exploraciones Novomining S.A. ("ENSA"), an Ecuadoran company owned by SolGold 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.

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) 904-1333

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 beliefs, plans, objectives, strategies, intentions and expectations. The words "potential," "anticipate," "forecast," "believe," "estimate," "intend", "trends", "indicate", "expect," "may," "should," "could", "project," "plan," or the negative or other variations of these words 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 anti-mining sentiment in certain regions of Ecuador, or 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.

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.

On Behalf of the Board,

Brooke Macdonald
President and CEO

_____

1 The Alpala deposit comprises 2,663 Mt at 0.53% CuEq (see how calculated in next paragraph) in the Measured plus Indicated categories and contained metal content of 9.9 Mt Cu, 21.7 Moz Au and 92.2 Moz Ag (Alpala “MRE#3”). The deposit measures approximately 900m in height and 500m diameter. See “Cascabel Property NI 43-101 Technical Report, Alpala Porphyry Copper-Gold-Silver Deposit - Mineral Resource Estimation, January 2021” with an Effective date: 18 March 2020 and Amended Date: 15 January 2021 (the “Amended Technical Report”), filed at www.Sedar.com on January 29, 2021: https://cornerstoneresources.com/site/assets/files/5574/2101_cascabel_mre3.pdf.

Alpala MRE#3 was reported at a cut-off grade of 0.21% copper equivalent (CuEq) using a copper equivalency factor of 0.613 (whereby CuEq = Cu + Au x 0.613). Cut-off grades and copper equivalency used for reporting were based on third party metal price research, forecasting of Cu and Au prices, and a cost structure from mining studies data available at the time. Costs include mining, processing and general and administration (G&A). Net Smelter Return (NSR) includes metallurgical recoveries and off-site realization (TCRC) including royalties and utilising metal prices of Cu at US$3.40/lb and Au at US$1,400/oz.

2 See “About Cornerstone” below.

3 Cut-off grades at TAM have been developed independently for open pit mining methods and underground bulk mining methods. Cut-off grades and copper equivalency used for reporting were based on third party metal price research, forecasting of Cu and Au prices, and a cost structure from mining studies data available at the time. Costs include mining, processing and general and administration (G&A). Net Smelter Return (NSR) includes metallurgical recoveries and off-site realization (TCRC) including royalties and utilizing metal prices of Cu at US$3.30/lb and Au at US$1,700/oz. The cut-off grade for potentially open pittable material has been calculated at 0.16% CuEq with a gold conversion factor of 0.632 (CuEq = Cu + Au x 0.632), while the cut-off grade for material potentially mineable by a bulk underground mining method such as block caving has been calculated at 0.28% CuEq with a gold conversion factor of 0.654 (CuEq = Cu + Au x 0.654)m.