

No viable grades found in drilling

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No commercially significant grades were encountered in drilling at the Princess group of properties on the Bonavista Peninsula, Cornerstone Capital Resources Inc. has reported.

The St. John's-based company said Friday it has received reports on work completed in the fall of 2001 by its wholly owned subsidiary, Cornerstone Resources Inc. (CRI), on those properties.

The Princess, West Princess and South Princess properties together cover approximately 150 sq. km. (602 claims) on the western margins of an area known as the Musgravetown group.

Cornerstone's previous exploration on the properties had resulted in the discovery of several new copper occurrences, the company said.

The fall 2001 program included drilling on the Princess and West Princess properties and geophysical and geochemical work on the South Princess, to better characterize and define the potential of that area.

Derek Wilton and Peter Dimmell, respectfully, supervised the West Princess and Princess drilling and produced reports on the work.

CRI personnel supervised the South Princess work.

The diamond drilling at West Princess consisted of eight holes, 790.05 metres in total, to test for mineralization at the Mountain View and Copper Creek occurrences and potential sediment-hosted copper mineralization within the Crown Hill formation.

On the Princess property, two holes totalling 2,040 metres were drilled on several occurrences in the Stag Brook and Milner's Cove areas.

"With the exception of one West Princess hole that had to be abandoned in overburden, thinly disseminated and vein-hosted copper mineralization was encountered in all the holes," Cornerstone said. "None of the intersections, however, yielded commercially significant grades."

The reports from Wilton and Dimmell both contain recommendations for further work, the company said.

The South Princess property was the focus of an exploration program.

The work was completed in December over two target areas dubbed Ken's Mountain and Holloway Cove.

"The results suggest that the property has potential for large-scale, iron-oxide and/or porphyry-type mineralization," said Cornerstone.

The company said the most striking characteristic in the Ken's Mountain area is a 12 km by four km magnetic anomaly adjacent to the Charlottetown Fault, a major regional structure.

"The Holloway Cove area is located approximately five kilometres east of Ken's Mountain and is highlighted by a three kilometer by one kilometre elliptical magnetic anomaly with coincidental soil anomalies in copper, arsenic, zinc, silver and gold," the company said.

Cornerstone said final reports are expected by the end of the month from the geophysical contractor responsible for the South Princess work, who is also carrying out 3-D modeling of the magnetic data "in an effort to better define the shape and depth of the magnetic anomalies in anticipation of future drilling on these targets

"Cornerstone is seeking partners to finance the next phases of work on South Princess," the company said.