Consolidated Financial Statements of
Cornerstone Capital Resources Inc.

For the three months ended
March 31, 2010 and 2009

CORNERSTONE

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

The accompanying unaudited interim financial statements of Cornerstone Capital Resources Inc. for the three months ended March 31, 2010 have been prepared by and are the responsibility of the Company's management.

The Company's independent auditors have not performed a review of these financial statements in accordance with the standards established by the Canadian Institute of Chartered accountants for a review of interim financial statements by an entity's auditor.

CORNERSTONE CAPITAL RESOURCES INC.

Table of Contents

CORNERSTONE CAPITAL RESOURCES INC.

Consolidated Statements of Loss, Comprehensive Loss and Deficit

(Unaudited)

	For the three months ended March 31, 2010	For the three months ended March 31, 2009
	$	$
REVENUE		
Investment income	**422**	9,938
Other income	**4,314**	2,126
	4,736	12,064
EXPENSES		
General and administrative	**338,136**	366,942
Mineral property costs abandoned	**368,061**	-
Amortization	**18,627**	26,760
Stock-based compensation	**7,336**	29,194
Foreign exchange gain	**(3,969)**	(8,667)
Unrealized gain on value of marketable securities	**(6,002)**	-
Interest and bank charges	**1,240**	1,350
	723,429	415,579
NET LOSS AND COMPREHENSIVE LOSS FOR THE PERIOD	**(718,693)**	(403,515)
DEFICIT, BEGINNING OF PERIOD	**(24,588,657)**	(21,716,269)
DEFICIT, END OF PERIOD	**(25,307,350)**	(22,119,784)
LOSS PER SHARE - BASIC AND DILUTED	**(0.01)**	(0.01)
WEIGHTED-AVERAGE NUMBER OF SHARES OUTSTANDING - BASIC AND DILUTED	**82,940,077**	74,897,734

See accompanying notes to the consolidated financial statements

CORNERSTONE CAPITAL RESOURCES INC.

Consolidated Balance Sheets

(Unaudited)

	As at March 31, 2010	As at December 31, 2009
	$	$
ASSETS		
CURRENT		
Cash and cash equivalents	**512,774**	740,722
Marketable securities	**120,022**	114,020
Accounts receivable	**425,615**	178,657
Refundable staking deposits	**63,749**	4,400
Prepaid expenses	**50,624**	48,005
	1,172,784	1,085,804
MINERAL PROPERTIES (Note 6)	**4,306,975**	4,227,008
CAPITAL ASSETS	**293,684**	310,256
	5,773,443	5,623,068
LIABILITIES		
CURRENT		
Accounts payable and accrued liabilities	**499,636**	421,780
DEFERRED OPTION PAYMENTS (Note 7)	**280,225**	-
	779,861	421,780
SHAREHOLDERS' EQUITY		
Share capital (Note 8)	**22,936,764**	22,433,113
Warrants (Note 8)	**1,490,875**	1,816,176
Contributed surplus (Note 8)	**5,873,293**	5,540,656
Deficit	**(25,307,350)**	(24,588,657)
	4,993,582	5,201,288
	5,773,443	5,623,068

BASIS OF PRESENTATION (Note 1)

APPROVED BY THE BOARD OF DIRECTORS:

"Glen H. McKay" Director "John Fleming" Director

See accompanying notes to the consolidated financial statements

CORNERSTONE CAPITAL RESOURCES INC.
Consolidated Statements of Cash Flows
(Unaudited)

	For the three months ended March 31, 2010	For the three months ended March 31, 2009
	$	$
OPERATING ACTIVITIES		
Net loss	**(718,693)**	(403,515)
Items not affecting cash:		
Amortization	**18,627**	26,760
Mineral property costs abandoned	**368,061**	-
Unrealized gain on value of marketable securities	**(6,002)**	-
Stock-based compensation	**7,336**	29,194
Changes in non-cash operating working capital	**(223,970)**	(150,905)
	(554,641)	(498,466)
INVESTING ACTIVITIES		
Mineral properties expenditures - net	**(448,029)**	(261,004)
Purchase of capital assets	**(2,054)**	-
Proceeds from deferred option payments	**273,125**	5,500
	(176,958)	(255,504)
FINANCING ACTIVITIES		
Proceeds from issuance of share capital - net	**503,651**	(3,568)
Proceeds from issuance of warrants - net	**-**	-
	503,651	(3,568)
DECREASE IN CASH AND CASH EQUIVALENTS	**(227,948)**	(757,538)
CASH AND CASH EQUIVALENTS, BEGINNING OF PERIOD	**740,722**	1,867,575
CASH AND CASH EQUIVALENTS, END OF PERIOD	**512,774**	1,110,037
COMPRISED OF : Bank deposits and cash on hand	**512,774**	602,788
Bank guaranteed investment certificates	**-**	507,249
	512,774	1,110,037

SUPPLEMENTAL CASH FLOW INFORMATION (NOTE 10)

See accompanying notes to the consolidated financial statements

1. BASIS OF PRESENTATION

The interim consolidated financial statements (the "financial statements") of Cornerstone Capital Resources Inc. (the "Company") have been prepared in accordance with the accounting principles and methods of application disclosed in the consolidated financial statements for the year ended December 31, 2009.

These financial statements include all adjustments that are, in the opinion of management, necessary for a fair presentation. These financial statements do not include all disclosures required by Canadian generally accepted accounting principles for annual financial statements, and accordingly the financial statements should be read in conjunction with the Company's consolidated financial statements and notes thereto for the year ended December 31, 2009.

While these financial statements have been prepared on a going concern basis, which contemplates the realization of assets and the settlement of liabilities and commitments in the normal course of business, several adverse conditions cast substantial doubt on the validity of this assumption. The Company does not have any proven economically recoverable reserves, has continuous losses, and at March 31, 2010, the Company had an accumulated deficit of $25,307,350 (December 31, 2009 - $24,588,657). The success of the Company and the recoverability of exploration costs are dependent upon the existence of economically recoverable reserves, the ability of the Company to obtain financing to find and complete the development of such reserves, the ability of the Company to satisfy obligations as they come due and upon future profitable production from the properties or proceeds from disposition. The current economic environment has made it more challenging for the mineral exploration industry, including the Company, with reduced commodity prices and the reduction in available capital from investors. The Company, however, believes it has properties which will continue to attract equity investors and believes it will survive the current economic challenges. The amounts shown as deferred exploration costs represent net costs to date less write offs and do not necessarily represent present or future values.

Although the Company has taken steps to verify title to mineral properties in which it has an interest, in accordance with industry standards for the current stage of exploration of such properties, these procedures do not guarantee the Company's title. Property title may be subject to unregistered prior agreements or transfers and may be affected by undetected defects.

If the going concern assumption was not appropriate for these financial statements, adjustments would be necessary to the carrying value of assets and liabilities, the reported net loss and the balance sheet classifications used.

2. BASIS OF CONSOLIDATION

These consolidated financial statements reflect the financial position, results of operations and cash flows of the Company and its wholly owned subsidiaries, Cornerstone Resources Inc., Cornerstone International Inc., Cornerstone Ecuador S.A. and La Plata Minerales S.A. All inter-company transactions and balances have been eliminated upon consolidation.

3. FUTURE ACCOUNTING PRONOUNCEMENTS

International Financial Reporting Standards ("IFRS")

In February 2008, the CICA Accounting Standards Board confirmed the changeover to IFRS from Canadian GAAP will be required for publicly accountable enterprises effective for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011. This adoption date will require the restatement, for comparative purposes, of amounts reported by the Company for its year ended December 31, 2010, and of the opening balance sheet as at January 1, 2010.

Business Combinations

In January 2009, the CICA issued CICA Handbook Section 1582, Business Combinations, Section 1601, Consolidated Financial Statements, and Section 1602, Non-controlling Interests, which superseded Section 1581, Business Combinations, and Section 1600, Consolidated Financial Statements.

CICA Handbook Section 1582, Business Combinations, replaces the former Section 1581, and establishes standards for the accounting for a business combination. It provides the Canadian equivalent to IFRS 3, Business Combinations (January 2008). This Section applies prospectively to business combinations for which the acquisition date is on or after the beginning of the first annual reporting period beginning on or after January 1, 2011.

CICA Handbook Section 1601, Consolidated Financial Statements, together with the new Section 1602, Non-Controlling Interests, replaces the former Section 1600, Consolidated Financial Statements. Section 1601 establishes standards for the preparation of consolidated financial statements. Section 1602 establishes standards for accounting for a non-controlling interest in a subsidiary in consolidated financial statements subsequent to a business combination. It is equivalent to the corresponding provisions of IFRS 27, Consolidated and Separate Financial Statements, (January 2008). Both sections apply to interim and annual consolidated financial statements relating to fiscal years beginning on or after January 1, 2011.

Earlier adoption is permitted as of the beginning of a fiscal year. All three sections must be adopted concurrently. The Company is evaluating the impact of the adoption of these sections and will determine if early adoption is appropriate.

4. CAPITAL MANAGEMENT

The capital structure of the Company consists of capital and equity comprised of share capital, warrants, contributed surplus and deficit. The Company manages its capital structure and makes adjustments to it, based on the funds available to the Company, in order to support the acquisition, exploration and development of mineral properties. The Board of Directors does not establish quantitative return on capital criteria for management, but rather relies on the expertise of the Company's management to sustain future development of the business.

The properties in which the Company has an interest are in the exploration stage; as such the Company has historically relied on the equity markets to fund its activities. In addition, the

4. CAPITAL MANAGEMENT (Continued)

Company holds shares in several companies, which will also assist the Company to carry out exploration programs and fund administrative costs. The Company will continue to assess new properties and seek to acquire an interest in additional properties if it feels there is sufficient geologic or economic potential and if it has adequate financial resources to do so. Management reviews its capital management approach on an ongoing basis. The Company is not subject to externally imposed capital requirements.

5. FINANCIAL INSTRUMENTS

Financial instruments recorded at fair value on the balance sheet are classified using a fair value hierarchy that reflects the significance of the inputs used in making the measurements. The fair value hierarchy has the following levels:

Level 1 – valuation based on quoted prices (unadjusted) observed in active markets for identical assets or liabilities

Level 2 – valuation techniques based on inputs that are quoted prices or similar instruments in active markets; inputs other than quoted prices used in a valuation model that are observable for that instrument; and inputs that are derived principally from or corroborated by observable market data by correlation or other means

Level 3 – valuation techniques with significant unobservable market inputs

The Company does not have any level 2 or 3 fair value measurements, and there have been no transfers between levels.

As at March 31, 2010	Level 1	Level 2	Level 3	Total Financial assets/financial liabilities at fair value
Financial assets				
Cash and cash equivalents	$ 512,774	$ -	$ -	$ 512,774
Marketable securities	120,022	-	-	120,022
Total financial assets	$ 632,796	$ -	$ -	$ 632,796
Financial liabilities	$ -	$ -	$ -	$ -

5. FINANCIAL INSTRUMENTS (Continued)

Financial Risk Factors

The Company has exposure to credit risk, liquidity risk and market risk. The Company's Board of Directors has the overall responsibility for the oversight of these risks and reviews the Company's policies on an ongoing basis to ensure that these risks, which are summarized below, are appropriately managed:

Credit risk

Credit risk is the risk of loss associated with a counterparty's inability to fulfill its payment obligations. The Company's credit risk is primarily attributable to accounts receivable. Management believes that the credit risk concentration with respect to financial instruments included in the accounts receivable is remote.

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. As at March 31, 2010, the Company had a cash balance of $512,774 (December 31, 2009 - $ 740,722) to settle current liabilities of $499,636 (December 31, 2009 - $421,780). To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through equity, debt or partnering transactions. All of the Company's financial liabilities are short-term in nature and are subject to normal trade terms. The Company has no source of operating cash flow to fund its exploration and development projects. Any further significant work would likely require additional equity or debt financing. The Company has limited financial resources and there is no assurance that additional funding will be available to allow the Company to fulfill its obligations on existing or future exploration projects. Failure to obtain additional financing could result in delay or indefinite postponement of further exploration.

Market risk

Market risk is the risk that changes in market prices, such as interest rates, foreign exchange rates, and equity prices will affect the Company's income or the value of its financial instruments.

(a) Interest rate risk – The Company has cash balances and no variable interest-bearing debt. The Company's current policy is to invest excess cash in investment-grade short-term deposit certificates or interest bearing deposit accounts with its banking institutions. The Company is satisfied with the credit ratings of its banks. The Company believes that its interest rate risk is not significant.

(b) Price risk – The Company is exposed to price risk with respect to commodity and equity prices. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company monitors commodity prices of gold, copper and other metals, individual equity movements, and the stock market to determine the

5. FINANCIAL INSTRUMENTS (Continued)

appropriate course of action to be taken by the Company. The Company believes that both commodity and equity price movements can have a substantial effect on the market value of the Company's investments. Such price movements are monitored by the Company.

(c) Foreign exchange risk - The Company transacts certain business in U.S. Dollars, and therefore is subject to foreign exchange risk on U.S. dollar accounts receivable, accounts payable and cash balances. The Company attempts to mitigate these risks by managing its U.S. Dollar inflows and outflows. No hedging instruments have been used by the Company, however, depending upon the nature and level of future foreign exchange transactions, consideration may be given to the use of hedging instruments. The Company believes that it adequately manages its foreign exchange risk, and the risk is minimal.

Sensitivity analysis

The Company has share investments in the following companies: Coastport Capital Inc., Mountain Lake Resources Inc. and Thundermin Resources Inc. All these companies are listed on either the Toronto Stock Exchange or the Toronto Venture Stock Exchange. Share investments are classified by the Company as "held-for-trading" and are measured at fair value. Changes in fair value of share investments are recognized in net loss for the period. Investments in securities having quoted market values and which are publicly traded on a recognized securities exchange and for which no sales restrictions apply, are recorded at values based on the current closing price. Changes in closing prices of these securities have an impact on the Company's income.

Based on management's knowledge and experience of the financial markets, the Company believes the following movements are "reasonably possible" during the second quarter of 2010: the Company's investments in publicly traded companies are denominated in Canadian dollars. During the last two years there have been significant changes in the values of these investments. A 20% change in the March 31, 2010 value of these investments would result in an increase or decrease in net loss and the carrying value of the investments of $24,000.

The carrying amount of cash, accounts receivable, refundable staking deposits, accounts payable and accrued liabilities approximate fair value due to their short-term nature.

6. MINERAL PROPERTIES

As at March 31, 2010, the Company has been issued 50 (2009 - 59) licenses by the Government of Newfoundland and Labrador which consist of 4,518 (2009 – 5,026) mineral exploration claims covering various areas of Newfoundland and Labrador. Of these 4,518 mineral exploration claims, 2,359 are held 50% by Altius Resources Inc. The Government of New Brunswick has issued 3 (2009 – 3) licenses to the Company which cover 908 (2009 – 908) claims in New Brunswick. The Government of Nova Scotia has issued 11 (2009 – 11) licenses to the Company which covers 673 (2009 – 673) claims in Nova Scotia. The Company also holds 14 (2009 – 15) mineral concessions in Ecuador. A summary of mineral properties is as follows:

6. MINERAL PROPERTIES (Continued)

Geographical Area	Number of Claims	Balance, Beginning of Year	Additions	JV Recoveries and Government Grants	Properties Abandoned or Sold	Balance, End of Period
		$	$	$	$	$
Island of Newfoundland	1,319	2,002,551	346,940	-	(2,241)	2,347,250
Labrador	3,199	78,386	11,895	(3,428)	(2,268)	84,585
New Brunswick	908	438,777	7,933	(20,000)	-	426,710
Nova Scotia	673	4,791	8,808	-	-	13,599
Ecuador	14	1,702,503	381,075	(285,195)	(363,552)	1,434,831
	6,113	4,227,008	756,651	(308,623)	(368,061)	4,306,975

7. DEFERRED OPTION PAYMENTS

Various option payments have been received by the Company from joint venture partners, in cash or in shares. The deferred option payments balances and the respective properties are as follows:

	March 31, 2010	December 31, 2009
	$	$
Letitia Lake, Labrador	**17,100**	-
Ecuador Projects	**263,125**	-
Balance, end of period	**280,225**	-

8. SHARE CAPITAL

Authorized

An unlimited number of common shares with no par value.
An unlimited number of first preferred and second preferred shares with no par value.

Issued and outstanding

	March 31, 2010		December 31, 2009	
	Number of Shares	**$**	Number of Shares	$
Common shares	**83,648,130**	**22,936,764**	81,197,178	22,433,113

Common shares issued during the period were as follows:

	For the three months ended March 31, 2010	
	Number of common shares	**$**
Balance, beginning of period	**81,197,178**	**22,433,113**
Issued during the period		
Private Placement	**2,450,952**	**514,700**
Share issuance costs	**-**	**(11,049)**
Balance, end of period	**83,648,130**	**22,936,764**

On January 26, 2010 the Company and Intrepid Mines Ltd. completed a $US 500,000 private placement in Cornerstone shares as agreed to in a binding Letter of Intent (LOI) announced on October 29, 2009. A total of 2,450,952 shares have been issued at a price of $0.21 per share, based on the TSX-V weighted average market price of Cornerstone shares over the five business days ending January 15, 2010, plus 20%. In accordance with Exchange requirements, the shares will have a four month hold period expiring on May 28th, 2010.

8. SHARE CAPITAL (Continued)

Preferred shares

The first and second preferred shares which have been authorized may be issued in one or more series and the directors are authorized to fix the number of shares in each series and to determine the designation, rights, privileges, restrictions and conditions attached to the shares of each series. No first or second preferred shares have been issued.

Stock options

The Company has a stock option plan under which options to purchase common shares in the Company may be granted to directors, officers, key employees and consultants of the Company. Details of the activity of the stock option plan are as follows:

	For the three months ended March 31, 2010	
	Number	**Weighted-Average Exercise Price**
Balance, beginning of period	**6,110,752**	**0.37**
Issued during the period		
To employees, officers and directors	**60,000**	**0.14**
Forfeited or cancelled during the period	**(503,334)**	**0.52**
Balance, end of period	**5,667,418**	**0.36**
Exercisable, end of period	**5,110,747**	**0.38**

The following table summarizes information about stock options outstanding and exercisable at March 31, 2010.

8. SHARE CAPITAL (Continued)

	Total Options Outstanding			Total Exercisable Options		
Exercise Price Range $	Number of Outstanding Options	Remaining Contractual Life	Weighted Average Strike Price $	Number of Exercisable Options	Remaining Contractual Life	Weighted Average Strike Price $
0.00 - 0.19	1,535,000	4.19	0.11	978,329	4.16	0.11
0.20 - 0.39	1,801,085	2.58	0.29	1,801,085	2.58	0.29
0.40 - 0.59	1,314,667	1.15	0.50	1,314,667	1.15	0.50
0.60 - 0.79	1,016,666	2.17	0.65	1,016,666	2.17	0.65
	5,667,418	2.61	0.36	5,110,747	2.43	0.38

Warrants

Warrants have been issued by the Company in the course of issuing shares. No warrants have been issued during the period.

	For the three months ended March 31, 2010		
	Number	$	Weighted-Average Price $
Balance, beginning of period	**21,120,820**	**1,816,176**	**0.30**
Expired during the period	**(1,204,820)**	**(325,301)**	**0.27**
Balance, end of period	**19,916,000**	**1,490,875**	**0.26**

8. SHARE CAPITAL (Continued)

Contributed surplus

Contributed surplus consists of the following amounts:

	For the three months ended March 31, 2010
	$
Balance, beginning of period	5,540,656
Fair value of warrants expired	325,301
Fair value of options expensed as stock-based compensation	7,336
Balance, end of period	5,873,293

9. RELATED PARTY TRANSACTIONS

The following represents a summary of transactions with parties under common influence and shareholders for the three months ended March 31, 2010, and are recorded at the agreed upon amounts:

	Three months ended March 31, 2010			
	Expensed during the period	Capitalized in mineral properties	Total	Three months ended March 31, 2009
	$	$	$	$
Professional and administrative fees	30,050	-	30,050	41,025

10. SUPPLEMENTAL CASH FLOW INFORMATION

	For the three months ended March 31, 2010	For the three months ended March 31, 2009
	$	$
Non-cash operating activities		
Shares in accounts receivable as consideration for deferred option payments	**7,100**	-
Non-cash investing activities		
Acquisition of mineral properties for share consideration	-	(3,000)
Forfeiture of deferred option payments	-	611,370
	-	608,370

11. CONTINGENCIES

The Company has received a claim instituted by an individual with respect to contract matters. Although such matters cannot be predicted with certainty, management currently considers the Company's exposure to such claims and litigation to be remote. The Company further believes that should such a claim materialize, the Company has sufficient insurance in place. As such, no provision has been recorded in these financial statements.