

**CORNERSTONE CAPITAL RESOURCES INC.
(the "Corporation")**

**Management Information Circular
for the Annual General and Special Meeting to be held on May 27, 2009
Dated April 21, 2009**

PROXIES

Solicitation of Proxies

This management information circular is furnished in connection with the solicitation of proxies for use at the annual general and special meeting of shareholders (the "Meeting") to be held at **The Johnson GEO Centre, 175 Signal Hill Road, St. John's, Newfoundland and Labrador** at 10:00 am (Newfoundland time) on May 27, 2009 and at any adjournment. Forms of proxy must be deposited with Computershare Trust Company of Canada, 100 University Avenue, 9th Floor, Toronto, ON M5J 2Y1, not less than 48 hours before the time of the Meeting (excluding Saturdays, Sundays and holidays) or any adjournment. Only holders of common shares (the "shareholders") of record at the close of business on April 21, 2009 will be entitled to vote at the Meeting, unless that shareholder has transferred any shares subsequent to that date and the transferee shareholder, not later than 10 days before the Meeting, establishes ownership of the shares and requests that the transferee's name be included on the list of shareholders.

The form appointing a proxy must be in writing and must be executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by an authorized officer or attorney of the corporation.

THE PERSONS NAMED IN THE ENCLOSED FORM OF PROXY ARE OFFICERS OR DIRECTORS OF THE CORPORATION. AS A SHAREHOLDER YOU HAVE THE RIGHT TO APPOINT A PERSON, WHO NEED NOT BE A SHAREHOLDER, TO REPRESENT YOU AT THE MEETING. TO EXERCISE THIS RIGHT YOU SHOULD INSERT THE NAME OF YOUR REPRESENTATIVE IN THE BLANK SPACE PROVIDED ON THE FORM OF PROXY AND STRIKE OUT THE OTHER NAMES OR SUBMIT ANOTHER APPROPRIATE PROXY.

Voting of Shares - Advice to Beneficial Shareholders

The information set forth in this section is of significant importance to you if you do not hold your shares in your own name. Only proxies deposited by shareholders whose names appear on the records as the registered holders of shares can be recognized and acted upon at the Meeting. If shares are listed in your account statement provided by your broker, then in almost all cases those shares will not be registered in your name. Such shares will likely be registered under the name of your broker. Without specific instructions, your broker is prohibited from voting your shares.

Applicable regulatory policy requires your broker to seek voting instructions from you in advance of the Meeting. Each broker has its own mailing procedures and provides its own return instructions, which you should carefully follow in order to ensure that your shares are voted at the Meeting. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Communications ("Broadridge"). Broadridge mails a Voting Information Form ("VIF") instead of the form of proxy. You are asked to complete and

return the VIF to them according to the instructions on the VIF. Alternately, you can call their toll-free telephone number to vote your shares. If you receive a VIF from Broadridge it cannot be used as a proxy to vote shares directly at the Meeting as the proxy must be returned to Broadridge in advance of the Meeting in order to have the shares voted.

These securityholder materials are being sent to both registered and non-registered owners of the securities. If you are a non-registered owner, and the issuer or the agent has sent these materials directly to you, your name and address and information about your holdings of securities, have been obtained in accordance with applicable securities regulatory requirements from the intermediary holding on your behalf.

Revocability of Proxy

You may revoke your proxy at any time prior to a vote. If you attend personally at the Meeting, you may revoke the proxy and vote in person. In addition to revocation in any other manner permitted by law, a proxy may be revoked by an instrument in writing executed by you or your attorney authorized in writing or, if you are a corporation, under your corporate seal or by an authorized officer or attorney of the corporation. To be effective the instrument in writing must be deposited either at the Corporation's head office, or with Computershare Trust Company of Canada, at any time up to and including the last business day before the day of the Meeting, or any adjournment of the Meeting, at which the proxy is to be used, or with the chairman of the Meeting on the day of the Meeting, or any adjournment.

Persons Making the Solicitation

This solicitation is made on behalf of management. The Corporation will bear the costs incurred in the preparation and mailing of the proxy materials. In addition to mailing forms of proxy, proxies may be solicited by personal interviews, or by other means of communication, by the directors, officers and employees who will not be remunerated for their services.

Exercise of Discretion by Proxy

Where you specify a choice with respect to any matter to be acted upon, the shares will be voted on any poll in accordance with the specification. If you do not provide instructions your shares will be voted in favour of the matters as set out in the form of proxy. The persons appointed under the form of proxy are conferred with discretionary authority with respect to amendments of the matters specified and with respect to any other matters which may properly be brought before the Meeting or any adjournment. At the time of printing of this management information circular, management is not aware of any amendments.

Request for Financial Statements

National Instrument 51-102 "Continuous Disclosure Obligations" sets out the procedures for a shareholder to receive financial statements. If you wish to receive financial statements, you may use the enclosed form or provide instructions in any other written format. Registered shareholders must also provide written instructions in order to receive the financial statements.

VOTING SHARES AND PRINCIPAL SHAREHOLDERS

The Corporation is authorized to issue an unlimited number of common shares. As at April 21, 2009, there were 74,947,178 common shares issued and outstanding. As a shareholder, you are entitled to one vote for each share you own. A quorum for the transaction of business at the Meeting is 1 shareholder representing in person or by proxy not less than 5% of the issued common shares entitled to vote at the Meeting.

To the knowledge of the Corporation, as at April 21, 2009 no person or company beneficially owns, directly or indirectly, or exercises control or direction over, more than 10% of the common shares.

MEETING AGENDA

Election of Directors

It is proposed that seven directors be elected, to hold office until the next annual meeting or until successors are elected or appointed. There are currently seven directors, each of whom retire from office at the close of the Meeting. Unless otherwise directed, it is the intention of management to vote proxies in favour of the nominees.

In the event that a vacancy occurs because of death or for any reason prior to the Meeting, the proxy shall not be voted with respect to the filing of the vacancy.

Name and Residence	Voting Shares	Offices Held and Time as Director	Principal Occupation
Glen McKay Newfoundland and Labrador, Canada	1,882,033 ¹	Chair of the Board Director since July 1999	President, Sealan Capital Corp. Inc.
John Fleming Newfoundland and Labrador, Canada	261,541 ³	Vice Chair of the Board. Director since July 1999	President, Resource Concepts Inc.
Colin McKenzie Ontario, Canada	10,000	President and CEO Director since February 2005	Vice President, Exploration – Skye Resources
W. John Clarke ^{2,4} Newfoundland and Labrador, Canada	913,679	Director since July 1999	Barrister & Solicitor – Clarke Law Offices
Donald Worth ^{2,4} Ontario, Canada	NIL	Director since July 2000	Retired Vice President, Canadian Imperial Bank of Commerce
Brooke Macdonald ⁷ Florida, USA	-	Appointed Director on April 16, 2009	President, Macdonald Consulting LLC Vice President, Legal Affairs for Skye Resources until 2009
David Loveys ⁵ Newfoundland and Labrador, Canada	255,576 ⁶	VP Finance & CFO Director since November 2006	President, D.R. Loveys & Associates Inc. since May 2005. Prior to that Mr. Loveys was Corporate Treasurer of CHC Helicopter Corporation since August 1998.

- ¹ Includes 489,650 shares held by Sealan Capital Corporation Inc., a company of which Mr. McKay is 88% owner. Mr. McKay's spouse owns the remaining 12%.
- ² Member of the Audit Committee
- ³ Includes 47,652 shares held by Resource Concepts Inc.
- ⁴ Member of Corporate Governance & Compensation Committee
- ⁵ Appointed on November 2, 2006
- ⁶ Includes 7,676 shares held by D.R. Loveys & Associates Inc.
- ⁷ Appointed April 16, 2009

On January 31, 2008, John Crosbie resigned from the Board of Cornerstone Capital Resources Inc. on being appointed Lieutenant Governor of Newfoundland & Labrador. Mr. Crosbie was one of the founding directors of the Company and he played an active role in the Company's development.

Ian Slater, who was appointed to the Board on November 2, 2007, informed the Company that he would not stand for re-election this year due to personal work commitments.

The information as to voting securities beneficially owned, directly or indirectly, is based upon information furnished by the nominees, as of record date, April 21, 2008.

No proposed director is, as at the date of the information circular or has been, within the last 10 years, a director or executive officer of any company that while that person was acting in that capacity, (a) was the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; (b) was subject to an event that resulted, after the director or executive officer ceased to be a director or executive officer, in the company being the subject of a cease trade or similar order or an order that denied the relevant company access to any exemption under securities legislation, for a period of more than 30 consecutive days; or (c) within a year of that person ceasing to act in that capacity, became bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency or was subject to or instituted any proceedings, arrangement or compromise with creditors or had a receiver, receiver manager or trustee appointed to hold its assets.

No proposed director has within the last 10 years become bankrupt, made a proposal under any legislation relating to bankruptcy or insolvency, or become subject to or instituted any proceedings, arrangement or compromise with creditors, or had a receiver, receiver manager or trustee appointed to hold the assets of the proposed director.

Appointment of Auditors

Management is proposing that the shareholders appoint the firm of Deloitte & Touche, LLP, Chartered Accountants, St. John's, Newfoundland as auditors, to hold office until the next annual meeting, and authorize the directors to fix their remuneration. Deloitte and Touche was first appointed as auditor of the Corporation in March 2004.

APPROVAL OF SHAREHOLDER RIGHTS PLAN

On January 28, 2009, the Board of Directors of the Company re-approved the adoption of a **Shareholder Rights Plan** ("Rights Plan" or "Plan") for a two year period ending January 30, 2011. The Plan is being adopted to ensure the fair treatment of shareholders in connection with any potential take-over offer for the company, and to provide the Board of Directors and shareholders with adequate time to fully consider any unsolicited take-over bid.

Pursuant to the policies of the TSX Venture Exchange, the Rights Plan must be ratified by shareholders at this Annual and Special Meeting. The Board of Directors recommends that the shareholders vote in favour of the Rights Plan and approve the Plan for a two year period ending January 30, 2011. A copy of the Rights Plan is available on SEDAR (www.sedar.com) or on the Corporation's website (www.cornerstoneresources.com) under "Corporate Data".

Objectives of the Rights Plan

The Plan is not being adopted in response to any proposal to acquire control of the Company and is not intended to prevent take-over bids. The Rights issued under the plan become exercisable only if a person, or a group of persons acting in concert, acquires 15% of the outstanding common shares of the Company. The Rights are not triggered by a "permitted bid". A permitted bid is one made to all common shareholders for any and all of their common shares by way of a takeover bid circular that remains open for not less than 60 days and pursuant to which more than 50% of the common shares held by independent shareholders are deposited and not withdrawn. Each Right, upon exercise would permit the purchase of shares in the Company at a substantial discount to market price, as defined in the Plan. The Rights Plan in no way prohibits a change of control of the Corporation in a transaction that is fair and in the best interests of all shareholders of the Corporation. The rights of shareholders to seek a change in the management of the Corporation or to influence or promote action of management in a particular manner will not be affected by the Rights Plan.

Schedule "B" to this information circular contains a summary of the Rights Plan.

AUDIT COMMITTEE

Audit Committee Charter

The full text of the Audit Committee Charter is attached as Schedule "A" to this information Circular.

Composition of the Audit Committee

Members of the Audit Committee currently include Donald Worth (Chair), John Clarke and Ian Slater. Both Mr. Worth and Mr. Slater are independent members of the committee and all three members are financially literate. Each of the Audit Committee members, Mr. Worth, a retired bank executive, Mr. Clarke, a lawyer, and Mr. Slater, a Chartered Accountant, have extensive experience in the mineral exploration and mining industries.

Audit Committee Oversight

The Audit Committee reports directly to the Board of Directors of the company. During the year all recommendations of the Audit Committee were adopted by the Board of Directors.

Pre-Approval Policies and Procedures

The Audit Committee must approve all non-audit services provided by the auditors prior to any work commencing.

External Auditor Service Fees

Audit Fees

The aggregate fees billed by the external auditor in the years ending December 31, 2008 and December 31, 2007 for audit services was \$ 59,900 and \$ 48,300 respectively.

Audit-Related Fees

The aggregate fees billed by the external auditor in the years ending December 31, 2008 and December 31, 2007, for assurance and related services by the Corporation's external auditor that were reasonably related to the performance of the audit or review of the Corporations financial statements and are not reported above under the heading "Audit Fees" was \$27,500 and \$30,000 respectively.

Tax Fees

The aggregate fees billed by the external auditor in the years ending December 31, 2008 and December 31, 2007 for tax compliance, tax advice and tax planning services was \$858 and \$8,180 respectively.

All Other Fees

The aggregate fees billed by the external auditor in the years ending December 31, 2008 and December 31, 2007, for all other services other than as described above under Audit Fees, Audit-Related Fees, and Tax Fees was \$5,974 and \$15,008, respectively. This included review of foreign company structures and general corporate matters.

CORPORATE GOVERNANCE DISCLOSURE

1. Board of Directors

The Board is composed of seven Directors. John Fleming, Glen McKay, Colin McKenzie and David Loveys are management directors and are not considered independent. W. John Clarke was Executive Vice President until November 2006 and is not yet considered independent. Each of the remaining directors, Donald Worth, retiring Director Ian Slater and proposed incoming Director Brooke Macdonald are independent. The independent directors exercise independent supervision over management by meeting independent of management directors to ensure that management directors are not unduly influencing the decisions of the independent directors.

2. Directorships

Donald Worth is a director of Sentry Select Capital Inc., Royal Gold Inc., Tiomin Resources Inc., and is also a Trustee of Labrador Iron Ore Royalty Income Fund.

Brooke Macdonald is a director of Everton Resources Inc.

3. Orientation and Continuing Education

The Board ensures that all new members are provided access to senior management to discuss current business strategies or any other items of interest, including historical information about the company. New members are encouraged to meet individually with existing board members to gain a better knowledge of the company's history. The company also encourages and supports board members to further their corporate education programs.

4. Ethical Business Conduct

The Board encourages ethical business conduct through the nomination of board members it considers experienced in ethical business standards.

5. Nomination of Directors

Recruitment of new directors is principally the responsibility of the existing Board of Directors, often with recommendations from shareholders. Prior to standing for election, new nominees to the Board are reviewed by the entire Board.

6. Compensation

The Corporate Governance and Compensation Committee, which is currently made up of Ian Slater (Chair), Donald Worth and John Clarke, reviews the CEO and Officers' remuneration on an annual basis and recommends any changes to the Board for approval. The non-management members of the Board, received remuneration of \$2,000 each as Board members. All Board members also receive reimbursement of expenses incurred while acting as a director. The Board as a whole reviews the stock option plan and any grants to the Board members or officers.

7. Other Board Committees

The Board has appointed a Corporate Governance and Compensation Committee, comprised of three independent directors, as noted in 6 above. This Committee is responsible to oversee Corporate Governance and reviews the compensation of Executive Officers.

8. Assessment

The Board reviews the performance of all its members, and its Board Committees, at least annually, by individual meetings of independent and non-independent directors to ensure all members are fully aware of their responsibilities to contribute to the effective management and oversight of the Corporation.

EXECUTIVE COMPENSATION

DEFINITION OF NAMED EXECUTIVE OFFICERS

“NEO” or **“named executive officer”** means each of the following individuals:

- (a) The CEO;
- (b) The CFO;
- (c) each of the three most highly compensated executive officers, or the three most highly compensated individuals acting in a similar capacity, other than the CEO and CFO, at the end of the most recently completed financial year whose total compensation was, individually, more than \$150,000 for that financial year; and
- (d) each individual who would be an NEO under paragraph (c) but for the fact that the individual was neither an executive officer of the company, nor acting in a similar capacity, at the end of that financial year.

COMPENSATION DISCUSSION AND ANALYSIS

The compensation of the Company’s NEOs has been established to attract and retain executives critical to the short and long term success of the Company. Such compensation must be competitive with other similar organizations in the industry.

Compensation is in the form of a salary, which is a set specific annual amount or, in some cases based on time charged to the Company at an agreed upon daily or hourly rate. In addition, the Company grants options to purchase common shares to the NEOs under the Company’s stock option plan.

Through its executive compensation practices, the Company seeks to provide value to its shareholders through a strong executive leadership. Specifically, the Company's executive compensation structure seeks to attract and retain talented and experienced executives necessary to achieve the Company's strategic objectives, motivate and reward executives whose knowledge, skills and performance are critical to the Company's success, align the interests of the Company's executives and shareholders by motivating executives to increase shareholder value.

Compensation Process – The compensation of NEOs is the responsibility of the Board of Directors of the Company, who determine both the long term and short term compensation, including salary and stock option based compensation.

Option Based Awards - Long-term incentive in the form of options to purchase common shares of the Company are intended to align the interests of the Company’s directors and its executive officers with those of its shareholders, to provide a long term incentive that rewards these individuals for their contribution to the creation of shareholder value. The stock option incentive plan is administered by the Board of Directors. In establishing the number of the incentive stock options to be granted to the NEOs, reference is made to the number of stock options granted to officers of other publicly traded companies that, similar to Cornerstone, are involved in the

mineral exploration industry, as well as those of other publicly traded Canadian companies of a comparable size to Cornerstone. The Board of Directors also considers previous grants of options and the overall number of options that are outstanding relative to the number of outstanding common shares in determining whether to make any new grants of options. The level of effort, time, responsibility, ability, experience and level of commitment of the executive officer is also considered in determining the level of incentive stock option compensation.

SUMMARY COMPENSATION TABLE

The following compensation information relates to amounts paid to the Named Executive Officers. None of the other executive officers received total compensation exceeding \$150,000 during the year ended December 31, 2008.

Name and Principal Position	Year	Salary (\$)	Share-Based Awards (\$)	Option-Based Awards (\$) (5)	Non-Equity Incentive Plan Compensation (\$)		Pension Value (\$)	All Other Compensation (\$)	Total Compensation (\$)
					Annual Incentive Plans	Long Term Incentive Plans			
Glen McKay ^(1,2) Chair of the Board	2008	78,200	Nil	24,738	Nil	Nil	Nil	Nil	102,938
	2007	156,600	Nil	195,601	Nil	Nil	Nil	Nil	352,201
	2006	133,975	Nil	177,383	Nil	Nil	Nil	Nil	311,358
Colin McKenzie ⁽²⁾ President & CEO	2008	172,115	Nil	62,174	Nil	Nil	Nil	Nil	234,289
	2007	Nil	Nil	27,943	Nil	Nil	Nil	Nil	27,943
	2006	Nil	Nil	17,563	Nil	Nil	Nil	Nil	17,563
David Loveys ⁽³⁾ VP Finance & CFO	2008	139,263	Nil	7,801	Nil	Nil	Nil	Nil	147,064
	2007	182,700	Nil	83,829	Nil	Nil	Nil	Nil	266,529
	2006	147,400	Nil	28,100	Nil	Nil	Nil	Nil	175,500
Yvan Crepeau ⁽⁴⁾ President, Cornerstone Ecuador S.A.	2008	184,616	Nil	Nil	Nil	Nil	Nil	Nil	184,616
	2007	202,808	Nil	57,636	Nil	Nil	Nil	Nil	260,444
	2006	76,146	Nil	29,580	Nil	Nil	Nil	Nil	105,726

(1) \$78,200 was paid to Sealan Capital Corporation Inc. for services rendered by Glen McKay.

(2) Colin McKenzie, a director since February 2005, became President & CEO on April 15, 2008 replacing Glen McKay who was President since December 2004 and CEO since November 2006. Mr. McKay now serves as Chair of the Board.

(3) \$139,263 was paid to D.R. Loveys & Associates Inc. for services rendered by David Loveys.

(4) Mr. Crepeau was appointed President of Cornerstone Ecuador S.A. (CESA) in October 2007. Prior to that he was Country Manager of CESA since becoming employed by the Company in August 2006.

(5) The Company used the Black-Scholes option pricing model for determining the fair value of stock options issued at the grant date. There is no certainty that the options will be exercised and that the fair value as shown will be received by the NEO.

INCENTIVE PLAN AWARDS

Outstanding Option-Based Awards

The following table provides details of outstanding option-based awards granted to NEOs as at December 31, 2008.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)
Glen McKay	53,000	\$0.30	2010/05/26	Nil	N/A	N/A
	301,250	\$0.30	2013/05/20	Nil		
Colin McKenzie	100,000	\$0.32	2010/02/08	Nil	N/A	N/A
	37,500	\$0.30	2013/05/20	Nil		
	500,000	\$0.27	2013/06/30	Nil		
David Loveys	50,000	\$0.36	2010/06/15	Nil	N/A	N/A
	100,000	\$0.37	2010/08/03	Nil		
	95,000	\$0.30	2013/05/20	Nil		
Yvan Crepeau	100,000	\$0.42	2011/08/01	Nil	N/A	N/A
	100,000	\$0.63	2012/06/27	Nil		
	100,000	\$0.75	2012/10/31	Nil		

Value Vested or Earned During the Year

The following table provides information regarding value vested or earned through incentive plan awards by the NEOs during the year ended December 31, 2008.

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
Glen McKay	\$8,246	N/A	N/A
Colin McKenzie	\$20,724	N/A	N/A
David Loveys	\$2,600	N/A	N/A
Yvan Crepeau	\$38,049	N/A	N/A

PENSION PLAN BENEFITS AND DEFERRED COMPENSATION PLANS

Cornerstone Capital Resources Inc. does not offer any pension benefits or deferred compensation plans to its NEOs.

TERMINATION AND CHANGE OF CONTROL BENEFITS

Included below is a summary of contractual obligations between the Company and the NEOs, including, where applicable, any termination and change of control benefits.

As at December 31, 2008 consulting arrangements are in place with respect to the services of Glen McKay (through Sealan Capital Corporation Inc., a company controlled by Mr. McKay), and David Loveys (through D. R. Loveys & Associates Inc., a company controlled by Mr. Loveys).

Under the terms of the Sealan Capital Corporation Inc. agreement Mr. McKay is compensated for providing the services of Chair of the Board (and up to April 15, 2008 as President and CEO). Sealan Capital Corporation Inc. is paid at the rate of \$100 per hour in either cash or the equivalent number of shares of the common stock of the corporation. Mr. McKay was appointed Chair of the Board on April 15, 2008. Prior to that he was President and CEO.

Under the terms of the D. R. Loveys & Associates Inc. agreement Mr. Loveys is compensated for providing the services of Vice President Finance, Chief Financial Officer and Corporate Secretary. D. R. Loveys & Associates Inc. is paid at the rate of \$100 per hour in either cash or the equivalent number of shares of the common stock of the corporation.

Under the terms of an employment contract between the Company and Colin McKenzie dated April 1, 2008, Mr. McKenzie agreed to act as President and CEO for a two year period, renewable on mutual agreement, at an annual salary of \$250,000. Prior to the expiry of the term of this contract, the President shall be entitled to terminate this Contract with at least 30 days written notice for good reason. For the purposes of this clause "good reason" shall mean any material change to the President's status, position, remuneration, duties or responsibilities that do not represent a promotion, or any material breach of this contract by the Company. If the contract is terminated by the President for good reason, the Company will pay to the President: if termination occurs within the first 12 months of the term of this agreement an amount equal to two (2) times annual salary; if termination occurs within the second 12 months of the term of this agreement, an amount equal to one (1) years annual salary.

Under the terms of an employment contract between the Company and Yvan Crepeau dated August 1, 2008, Mr. Crepeau agreed to act as President of Cornerstone Ecuador SA for a one year period, renewable on mutual agreement, at a rate of US\$600 per day.

COMPENSATION OF DIRECTORS

The following table provides details with respect to compensation paid to, or earned by the Directors of the Company who were not NEOs.

Name	Fees Earned (\$) (1)	Share-Based Awards (\$)	Option-Based Awards (\$)	Non-Equity Incentive Plan Compensation (\$)	Pension Value (\$)	All Other Compensation (\$)	Total (\$)
John Fleming Vice Chair & Director	Nil	Nil	\$9,786	Nil	Nil	Nil	\$9,786
John Clarke Director	\$2,000	Nil	Nil	Nil	Nil	Nil	Nil
Don Worth Director	\$2,000	Nil	Nil	Nil	Nil	Nil	Nil
Ian Slater Director	\$2,000	Nil	Nil	Nil	Nil	Nil	Nil

¹ Fees relate to annual retainer for non-management directors.

The Company used the Black-Scholes option pricing model for determining the fair value of stock options issued at the grant date. There is no certainty that the options will be exercised and that the fair value as shown will be received by the Directors.

Outstanding Option-Based Awards

The following table provides details of outstanding option-based awards granted to Directors of the Company who were not NEOs as at December 31, 2008.

Name	Option-Based Awards				Share-Based Awards	
	Number of Securities Underlying Unexercised Options (#)	Option Exercise Price (\$)	Option Expiration Date	Value of Unexercised in-the-Money Options (\$)	Number of Shares or Units of Shares That Have Not Vested (#)	Market or Payout Value of Share-Based Awards That Have Not Vested (\$)
John Fleming Vice Chair & Director	33,334 119,167	\$0.30 \$0.30	2010/05/26 2013/05/20	Nil Nil	N/A	N/A
John Clarke Director	17,000 354,000 200,000	\$0.30 \$0.49 \$0.64	2010/02/08 2011/05/19 2012/04/23	Nil Nil Nil	N/A	N/A
Don Worth Director	107,000 50,000 50,000 100,000	\$0.35 \$0.30 \$0.49 \$0.64	2009/04/16 2010/05/26 2011/05/19 2012/04/23	Nil Nil Nil Nil	N/A	N/A
Ian Slater Director	100,000	\$0.75	2012/10/31	Nil	N/A	N/A

Value Vested or Earned During the Year

The following table provides details of value vested or earned through incentive plan awards by Directors of the Company who were not NEOs as at December 31, 2008.

Name	Option-Based Awards – Value Vested During the Year (\$)	Share-Based Awards – Value Vested During the Year (\$)	Non-Equity Incentive Plan Compensation – Value Earned During the Year (\$)
John Fleming Vice Chair & Director	\$3,262	N/A	N/A
John Clarke Director	\$37,258	N/A	N/A
Don Worth Director	\$18,629	N/A	N/A
Ian Slater Director	\$10,235	N/A	N/A

SECURITIES AUTHORIZED FOR ISSUANCE UNDER EQUITY COMPENSATION PLANS

The Stock Option Plan is the only equity compensation plan. The following table sets forth information with respect to the options outstanding under the Plan as at December 31, 2008.

Plan Category	Number of Common Shares to be Issued Upon Exercise of Outstanding Options	Weighted-Average Exercise Price of Outstanding Options	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans
Equity compensation plans approved by securityholders	5,634,752	\$0.45	6,115,733
Equity compensation plans not approved by securityholders	Nil	Nil	Nil
Total	5,634,752		6,115,733

INDEBTEDNESS OF DIRECTORS AND EXECUTIVE OFFICERS

Management is not aware of any indebtedness (other than routine indebtedness) outstanding by any of the directors, executive officers or any of their associates, or any guarantees, support agreements, letters of credit or similar arrangements provided by the Corporation or any subsidiaries, to these individuals, at the date of this circular or at December 31, 2008, the date of the last completed financial year.

INTERESTS OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

There were no material interests, direct or indirect, of any of the informed persons, any proposed nominee for election as a director, or any associate or affiliate of such persons, in any transaction since the last completed financial year or in any proposed transaction which has materially affected or would materially affect the Corporation or any of the subsidiaries.

INTERESTS OF CERTAIN PERSONS AND COMPANIES IN MATTERS TO BE ACTED UPON

Management is not aware of any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, of any person who has been a director or executive officer at any time since the beginning of the last financial year, of any proposed nominee for election as a director, or of any associates or affiliates of any of these individuals, in any matter to be acted on at the Meeting.

ADDITIONAL INFORMATION

Additional financial information regarding the Corporation's business is contained in the audited consolidated financial statements and management's discussion and analysis for the year ended December 31, 2008. These statements and all the continuous disclosure documents submitted to the Securities Commissions and TSX Venture Exchange can be found on SEDAR at www.sedar.com. Shareholders may request a copy of the financial statements and management's discussion and analysis at 26 Kyle Avenue, Mount Pearl, Newfoundland and Labrador, A1N 4R5, phone: (877) 277-8377; fax: (709) 747-1183.

SCHEDULE "A"

Cornerstone Capital Resources Inc.

Audit Committee Charter

Organization

An Audit Committee shall be appointed annually by the Board and shall consist of at least three (3) members from among the directors of the Corporation. Each Audit Committee member shall where possible be an independent director, free from any relationship that, in the opinion of the Board, would interfere with the exercise of his or her independent judgment as a member of the Committee.

All Audit Committee members shall be sufficiently versed in financial matters to understand the Corporation's accounting practices and policies and the major judgments involved in preparing the financial statements.

The Board shall designate the Chair of the Committee.

Statement of Policy

The Committee shall fulfill its responsibilities within the context of the following principles:

1. General

The Committee expects the management of the Corporation to operate in compliance with the laws and regulations governing the Corporation and to maintain as strong a financial, reporting and control process as resources permit.

2. Communications

The Committee shall have direct, open and frank communications throughout the year with management, other Committee Chairs, and the external auditors.

3. Meeting Agenda

Committee meeting agendas shall be the responsibility of the Chair of the Committee in consultation with the Committee members, management and the external auditors.

4. Information Needs

The Committee expects that written materials will be received from management and the external auditors at least five (5) days in advance of meeting dates.

5. In-Camera Meetings

At each meeting, the Committee shall meet in private session and may meet with the external auditors, with management, and with the Committee members only.

6. Reporting to the Board

The Committee, through its Chair, shall report after each Committee meeting to the Board at the Board's next regular meeting.

7. The External Auditors

The Committee expects that in discharging its responsibilities to the shareholders, the external auditors shall be accountable to the Board through the Audit Committee. The external auditors shall report all material issues or potentially material issues to the Committee.

Operating Procedures

1. The Committee shall meet at least four (4) times annually, or more frequently as circumstances dictate. Meetings shall be held at the call of the Chair upon the request of two (2) members of the Committee or at the request of the external auditors.
2. A quorum shall be a majority of the members.
3. Unless the Committee otherwise specifies, the Secretary of the Corporation shall act as Secretary at all meetings of the Committee.
4. In the absence of the Chair of the Committee, the members shall appoint an acting Chair.
5. A copy of the minutes of each meeting of the Committee shall be provided to each member of the Committee and to each Director of the Corporation in a timely fashion.

Specific Responsibilities and Duties

To fulfill its responsibilities and duties, the Committee shall:

Financial Reporting

1. Review the Corporation's annual and quarterly financial statements with management and the external auditors to gain reasonable assurance that the statements are accurate, complete and in accordance with the GAAP. The Committee shall report thereon to the Board before the Board approves such financial statements.
2. Receive from the external auditors reports on their review of the annual and quarterly financial statements.
3. Receive from management a copy of the representation letter provided to the external auditors and receive from management any additional representations required by the Committee.
4. Review and, if appropriate, recommend approval to the Board of news releases, management discussion and analysis, AIF forms and reports to the shareholders issued by the Corporation with respect to the Corporation's annual and quarterly financial statements
5. Review and, if appropriate, recommend approval to the Board of prospectuses, material change disclosures of a financial nature, management discussion and analysis, annual information forms, and similar disclosure documents to be issued by the Corporation.

Accounting Policies

1. Review with management and the external auditors the appropriateness of the Corporation's accounting policies and disclosures.
2. Review with management and the external auditors the Corporation's underlying accounting policies and any significant estimates and judgments.

Risk and Uncertainty

1. Review with management the significant financial risks and principal business risks facing the Corporation and gain reasonable assurance that they are being effectively managed or controlled.
2. Ascertain that policies and procedures are in place to minimize environmental, occupational health and safety, and other risks to asset value.

3. Review the adequacy of insurance coverages maintained by the Corporation.
4. Review regularly with management, the external auditors and the Corporation's legal counsel any legal claim or other contingency that could have a material effect upon the financial position of the Corporation.

Financial Controls and Control Deviations

1. Review the plans of the external auditors to gain reasonable assurance that the review and evaluation of internal financial controls is comprehensive, coordinated and cost effective.

Compliance with Laws and Regulations

1. Review regular reports from management and the external auditors with respect to the Corporation's compliance with laws and regulations having a material impact on the financial statements, environmental protection laws and regulations, various tax and other withholding accounts and other laws and regulations which expose directors to liability.

Relationship with External Auditors

1. Recommend to the Board the nomination of external auditors.
2. Approve the remuneration and the terms of engagement of the external auditors as set out in the engagement letter.
3. Review the performance of the external auditors annually.
4. Receive a report annually from the external auditors with respect to their independence, such report to include a disclosure of all engagements (and fees related thereto) for any non-audit services by the Corporation.
5. Review with the external auditors the scope of the audit, the areas of special emphasis to be addressed in the audit, the general overall audit plan and the materiality levels, which the external auditors propose to employ. Review the results of the external audit with the external auditors including the auditors' report, overall presentation of the financial statements, any adjustments needed or contemplated, areas of difficulty and any changes to the original audit plan.
6. Meet with the external auditors in the absence of management to determine that no management restrictions have been placed on the scope and extent of the audit examinations conducted by the external auditors or the reporting of their findings to the Committee.
7. Establish effective communication processes with management and the Corporation's external auditors to assist the Committee to monitor objectively the quality and effectiveness of the relationship among the external auditors, management and the Committee.

Other Responsibilities

1. Approve annually the reasonableness of the expenses of the Chief Executive Officer.
2. After consultation with the Chief Financial Officer and the external auditors, gain reasonable assurance annually of the quality and sufficiency of the Corporation's accounting personnel.
3. Perform such other functions as may from time to time be assigned to the Committee by the Board.

Accountability

1. Review and update this Charter on a regular basis for approval by the Board.
2. From time to time, as requested by the Board, disclose its mandate and this Charter in the Corporation's statement of corporate governance practices.

SCHEDULE B

SHAREHOLDER RIGHTS PLAN SUMMARY

- A. The board of directors of the Corporation, in the exercise of their fiduciary duties to the Corporation and its shareholders, has determined that it is advisable and in the best interests of the Corporation to adopt a shareholder rights plan (the "**Rights Plan**") to (a) ensure, to the extent possible, that all holders of the common shares of the Corporation and the board of directors have adequate time to consider and evaluate any unsolicited bid for the common shares, (b) provide the board of directors with adequate time to identify, develop and negotiate value-enhancing alternatives, if considered appropriate, to any such unsolicited bid, (c) encourage the fair treatment of the Corporation's shareholders in connection with any Take-over Bid made for the common shares and (d) generally to prevent any person from acquiring ownership (or the right to acquire ownership) of or the right to vote more than 15% of the outstanding common shares (or, where such person already owns or has the right to vote more than 15% of such outstanding common shares at the date of this Agreement, any additional common shares), or entering into arrangements or relationships that have a similar effect.
- B. The board of directors has determined that the Rights Plan should take effect immediately.
- C. In order to implement the Rights Plan, the board of directors has authorized the issuance of:
- a. one right (a "**Right**") effective at the Record Time in respect of each common share outstanding at the Record Time; and
 - b. one Right in respect of each common share issued after the Record Time and prior to the earlier of the Separation Time and the Expiration Time.
- D. Each Right entitles the Holder after the Separation Time, to purchase securities of the Corporation pursuant to the terms and subject to the conditions set out in this Agreement.
- E. The Corporation desires to appoint the Rights Agent to act on behalf of the Corporation and the holders of Rights, and the Rights Agent has agreed to act on behalf of the Corporation and the holders of Rights in connection with the issuance, transfer, exchange and replacement of Rights Certificates, the exercise of Rights and other matters referred to in this Agreement.
- F. The Rights Agent is Computershare Trust Company of Canada.