CORNERSTONE

Management's Discussion & Analysis of

Financial Conditions & Results of Operations

For the Three Months and Nine Months Ended September 30, 2015

CORNERSTONE CAPITAL RESOURCES INC.

Consolidated Results
For the Three Months and Nine Months Ended September 30, 2015

Management's Discussion & Analysis of
Financial Conditions & Results of Operations

The following discussion and analysis, dated November 23, 2015, should be read in conjunction with the Consolidated Financial Statements and related notes. All dollar amounts are stated in Canadian dollars, unless otherwise noted.

This discussion includes certain statements that may be deemed forward-looking statements. All statements in this discussion, other than statements of historical facts, that address exploration drilling, exploration activities and events or developments that Cornerstone Capital Resources Inc. (the "Company" or "Cornerstone") expects are forward-looking statements. Although the Company believes the expectations expressed in such forward-looking statements are based on reasonable assumptions, such statements are not guarantees of future performance and investors are cautioned that actual results or developments may differ materially from those in the forward-looking statements. Factors that could cause actual results to differ materially from those in the forward-looking statements include market prices, exploration, continued availability of capital and financing and general economic, market or business conditions.

Description of Business

Cornerstone Capital Resources Inc. ("Cornerstone" or the "Company"), is incorporated under the laws of Alberta, Canada and has its principal office in Mount Pearl, Newfoundland and Labrador, Canada (which is scheduled to be closed November 30, 2015, see Financial Conditions, Liquidity and Capital Resources, below). The Company, through its wholly-owned subsidiaries, Cornerstone Resources Inc., Cornerstone Ecuador S.A., La Plata Minerales S.A., and Minera Cornerstone Chile Limitada, and its 15% shareholding in Exploraciones Novomining S.A. ("ENSA"), is a prospect generator engaged in the evaluation, acquisition and exploration of mineral properties in Ecuador and Chile. The Company hopes to ultimately develop the properties, option or lease properties to third parties, or sell the properties outright.

Results of Operations

The nine months ended September 30, 2015, compared with the nine months ended September 30, 2014.

At January 1, 2015, exploration properties held by the Company totalled 229 claims. During the nine months ended September 30, 2015, a number of property claims were dropped, leaving the Company with a total of 64 claims in Canada, 44 in Chile and 3 concessions in Ecuador (excluding the 4 concessions held by ENSA) at September 30, 2015.

During the nine months ended September 30, 2015, the Company had a net loss of $4,265,480 - $0.02 per share (compared to a net loss of $984,147 - $0.005 per share for the same period in 2014). Expenses incurred during the nine months ended September 30, 2015 were $4,340,527 compared to

$1,621,192 for the same period in 2014. The increase of $2,719,335 during the current year was due to a number of factors, the most notable of which are:

> ***General & Administrative*** was $1,145,255 for the nine months ended September 30, 2015 compared to $705,802 for the same period in 2014. The increase of $439,453 is due to the fact that less management time was charged to our partner SolGold on the Cascabel project in Ecuador, which assumed operatorship during a transition period that ended September 30, 2014. Also the Company had significant legally mandated severance and termination payment obligations to several employees laid off in Ecuador and Chile.
>
> ***Share based payments*** were $253,948 for the nine months ended September 30, 2015 compared to $308,823 for the same period in 2014. This $54,875 decrease was due to a smaller number of options issued during the 2015 compared to 2014 as well as a lower option price in 2015 compared to 2014.
>
> ***Write down of exploration and evaluation assets*** was $2,176,723 for the nine months ended September 30, 2015 compared to $55,034 in the same period in 2014, an increase of $2,121,689. While the Company believes its properties in Ecuador and Chile still hold significant potential, given the continued poor markets for fundraising, it has decided to write off the value of the Chile properties and significantly reduce the value of its properties in Ecuador. If funds can be raised, exploration will continue on these properties.
>
> ***Consulting fees*** are $61,238 lower in the first nine months of 2015 compared to 2014 due mainly to further voluntary salary reductions for the CEO and CFO due to the continued poor market conditions.
>
> ***Accounting audit and legal*** expenses were $345,362 for the nine months ended September 30, 2015, compared to $125,590 for the same period in 2014, due to legal expenses incurred in dealing with two claims instituted by two individuals with respect to contract and employment matters, both of which are still ongoing (see "Contingencies"), and greater than anticipated legal expenses in Ecuador finalizing a definitive agreement for a strategic exploration alliance with the Ecuadorean State Mining Company ENAMI to replace a letter of intent announced April 14, 2015.
>
> ***Loss on sale of marketable*** securities was $115,279 higher during the nine months ended September 30, 2015 as a significant number of securities were sold in the current year compared to 2014.

Revenue for the nine months ended September 30, 2015 was $75,047 compared to $637,045 for the same period in 2014, a decrease of $561,998. This was due to the fact that SolGold was the Cascabel operator this year, resulting in a sharp decrease in project revenue. Also, during 2014, there was a gain on the deconsolidation of ENSA of $151,828, as a result of our partner, SolGold plc, electing to increase its ownership of ENSA to 85%.

The three months ended September 30, 2015, compared with the three months ended September 30, 2014.

During the three months ended September 30, 2015, the Company had a net loss of $2,815,566 -

$0.015 per share (compared to a net loss of $357,654 - $0.002 per share for the same period in 2014). Expenses incurred during the three months ended September 30, 2015 were $2,836,295 compared to $544,846 for the same period in 2014. The increase of $2,291,449 during the current year was due to a number of factors, the most notable of which are:

Write down of exploration and evaluation assets was $2,130,257 for the three months ended September 30, 2015 compared to $39,843 in the same period in 2014. While the Company believes its properties in Ecuador and Chile still hold significant potential, given the continued poor markets for fundraising, it has decided to write off the value of the Chile properties and significantly reduce the value of its properties in Ecuador. If funds can be raised, exploration will continue on these properties.

General & Administrative was $449,866 for the three months ended September 30, 2015 compared to $234,105 for the same period in 2014. The increase of $215,761 is due to the fact that less management was charged to our partner SolGold on the Cascabel project in Ecuador, which assumed operatorship during a transition period that ended September 30, 2014. Also the Company had severance and termination pay obligations to several employees laid off in Ecuador.

Loss on sale of marketable securities was $48,604 for the three months ended September 30, 2015 compared to $(240) for the same period in 2014 due to a large number of securities being sold in the current year.

Accounting audit and legal expenses were $142,947 for the three months ended September 30, 2015, compared to $43,075 for the same period in 2014, due to legal expenses incurred in dealing with two claims instituted by two individuals with respect to contract and employment matters, both of which are still ongoing. (see “Contingencies”), and greater than anticipated legal expenses in Ecuador finalizing a definitive agreement for a strategic exploration alliance with the Ecuadorean State Mining Company ENAMI to replace a letter of intent announced April 14, 2015.

Gain on sale of property and equipment was $50,339 for the three months ended September 30, 2015 compared to $Nil in 2014 due to the sale of several vehicles in South America.

Revenue for the three months ended September 30, 2015 was $20,729 compared to $187,192 for the same period in 2014, a decrease of $166,463. This was due to the fact that SolGold was the Cascabel operator this year, resulting in a sharp decrease in project revenue.

Exploration and evaluation assets

Total capitalized expenditures on exploration and evaluation assets as at September 30, 2015 were $591,080 compared to $2,019,801 at December 31, 2014. Net property expenditures of $718,001 were incurred during the nine months ended September 30, 2015 compared to $453,127 during the same period in 2014. Included in the net property expenditures for the nine months ended September 30, 2015, are recoveries and option payments from exploration partners of $40,917 compared to $424,673 for the same period in 2014. This sharp decrease is due to the fact that SolGold elected to own 85% of ENSA in 2014 and is now operator of the Cascabel project, the Company is no longer providing services to ENSA, thus recoveries from SolGold have decreased significantly. Due to the continued downturn in the market for exploration companies, the Company decided to recognize an impairment in the values of its exploration and evaluation assets during the quarter. While the Company believes its properties in Ecuador and Chile still hold significant potential, given the continued poor markets for fundraising, it has written off the value of the Chile properties and significantly reduce the value of its properties in Ecuador. If funds can be raised, exploration will continue on these properties.

Consolidated Schedule of Mineral Properties
(Unaudited)

Property	**Gross Expenditures**	**Recoveries From Partners**	**Properties Abandoned and/or Sold**	**Net Total September 30, 2015**	**Net Total December 31, 2014**
		$	$	**$**	$
Ecuador	17,825,855	(13,270,575)	(3,964,200)	**591,080**	1,122,960
Chile	2,368,153	-	(2,368,153)	**-**	896,841
	20,194,008	(13,270,575)	(6,332,353)	**591,080**	2,019,801

Financial Conditions, Liquidity and Capital Resources

As at September 30 the Company had cash of $544,079 compared to cash of $2,393,197 at December 31, 2014. The Company issued 600,000 common shares for property agreements during the nine months ended September 30, 2015 compared to receiving proceeds of $3,956,985 from share issuances during the same period in 2014. As at September 30, 2015 the working capital (current assets less current liabilities) of the Company was $315,133 compared to $2,848,057 at December 31, 2014.

Due to current economic market conditions the Company has been unable to attract equity investment so far in 2015, as a result of which we have continued to reduce costs by closing the office in Mount Pearl, Newfoundland at the end of November as well as closing the Quito office and laying off most of the Company’s staff. Keeping its mineral concessions in Ecuador and Chile beyond March 2016 when annual concession fees are due in advance is dependent on further financing being obtained (except for the Company’s 15% interest in the Cascabel joint venture in Ecuador, 100% of the costs of which are being financed by partner SolGold Plc). While the Company has been successful in raising financing in the past, there can be no assurance that it will be able to do so in the future.

Outstanding Share Data

As at September 30, 2015 the Company had 190,415,330 common shares outstanding. The Company had 11,813,330 options outstanding at September 30, 2015, at various exercise prices as shown in the following chart, and 42,647,617 warrants issued in connection with private placement financings. 14,172,500 of the outstanding warrants were issued in connection with a 2011 financing, and are priced at $0.30 per warrant and had a term of five years from their September 29, 2011 issue date. The balance of the warrants were issued in connection with the April 7, 2014 private placement, and are priced at $0.35 per warrant (except 1,808,450 finders’ warrants at $0.20) all of which have a five year term from issue date of April 7, 2014.

The following table summarizes information about stock options outstanding and exercisable at September 30, 2015:

	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 $
0.10 - 0.19	8,851,664	3.24	0.15	7,211,671	2.98	0.16
0.20 - 0.39	1,311,666	0.30	0.33	1,311,666	0.30	0.33
0.40 - 0.59	1,650,000	0.38	0.54	1,650,000	0.38	0.54
	11,813,330	2.51	0.22	10,173,337	2.21	0.24

Deconsolidation of Subsidiary

In February 2014, the Company was notified by SolGold of its election to increase its ownership in ENSA to 85%. The Company received $250,000 as a private placement and issued 2,500,000 common shares to SolGold. The Company also received 488,560 common shares of SolGold, valued at $100,000 as per the terms of the agreement. The President and Legal Representative of ENSA was changed to a SolGold nominee who is now responsible for the day to day activities of ENSA. Changes were also made to the ENSA Board of Directors, resulting in Cornerstone no longer holding the majority of board seats. In the Company’s opinion, these changes have resulted in a loss of control by the Company, and consequently, ENSA had to be deconsolidated from the Company’s consolidated financial statements. The resulting investment in ENSA of $42,857 is classified as an available-for-sale asset. The deconsolidation resulted in reversal of the non-controlling interest of $193,657 and a gain of $151,828 being recorded in the current period. SolGold will finance the Company’s 15% interest in the project to completion of a feasibility study (“FS”) on SolGold's schedule and budget. If the Company fails to fund its proportionate share of expenditures following completion of the FS and its interest is diluted below 10%, this interest will be converted to a 0.5% Net Smelter Return (“NSR”). SolGold may buy out this and other royalties on Cascabel for payments of US$7.5 million ($3.5 million to buy out the Company’s 0.5% NSR and $4 million to buy out an underlying 2% NSR to a 3rd party). SolGold may recover the Company’s financed costs to FS from 90% of Cornerstone's share of Cascabel project cash flows.

Financial Instrument Risk

The Corporation’s financial assets and financial liabilities are exposed to various risk factors that may affect the fair value presentation or the amount ultimately received or paid on settlement of its assets and liabilities. A summary of the major financial instrument risks and the Corporation’s approach to the management of these risks are highlighted below.

Credit risk

The Corporation has some credit risk with accounts receivable balances owing from earn-in partners but the amount is not considered significant. The Corporation's cash and marketable securities are held in Canadian financial institutions. Management believes that the credit risk concentration with respect to financial instruments included in the receivables and marketable securities is manageable.

Foreign currency risk
The Company transacts a significant portion of its business in U.S. dollars, which is the currency of Ecuador, and therefore is subject to foreign exchange risk on U.S. dollar receivables, trade payables 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.

Liquidity risk
The Company has no source of operating cash flow to fund its exploration and development projects. Retention of mineral properties and further exploration work is dependent on equity financing. There is no assurance that funding will be available to allow the Company to fulfill its obligations on existing or future exploration projects. Failure to obtain financing could result in delay or indefinite postponement of exploration, and in the Company having to terminate its remaining employees, and have insufficient funds to maintain its current portfolio of properties (except for the Company's 15% interest in the Cascabel joint venture in Ecuador, 100% of the costs of which are being financed by partner SolGold Plc).

Other 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 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.

Interest rate risk
The Corporation does not have any debt and is therefore not exposed to interest rate risk on liabilities. The Corporation's cash and marketable securities may fluctuate in value depending on the market interest rates and the time to maturity of the instruments.

Related Party Transactions

The following represents a summary of transactions with parties under common control and shareholders for the three months and nine months ended September 30, 2015. The amounts, which are all expensed as consulting and administrative charges, are recorded at the exchange amounts:

Director Brooke Macdonald, who serves as the Company's President and CEO, provided the Company with management consulting services of $46,398 (2014 – $55,160) for the three months ended

September 30, 2015 and $149,997 (2014 - $176,835) for the nine months ended September 30, 2015. D.R. Loveys & Associates Inc., controlled by Director David Loveys, the Company's Vice President Finance, CFO and Corporate Secretary, billed a total of $33,000 (2014 - $39,000) for the three months ended September 30, 2015, and $99,000 (2014 - $125,500) for the nine months ended September 30, 2015, for accounting and management consulting services. These transactions are considered to be in the normal course of business.

Compensation for the three months ended September 30, 2015 for key management personnel, not included above, is $120,004 (2014 - $126,054), which includes salary and other short-term benefits of $73,409 (2014 - $76,895), and share-based payments of $46,595 (2014 – $49,159).

Compensation for the nine months ended September 30, 2015 for key management personnel, not included above, is $447,038 (2014 - $472,357), which includes salary and other short-term benefits of $231,027 (2014 - $213,645), and share-based payments of $216,011 (2014 – $258,712). Other compensation amounts include salary and benefits for the Company's Vice President, Exploration, stipends for non-management directors, group insurances for all management and share based payments for all management and directors.

Acquisition and Write-down of Mineral Properties

The Company's strategy is grass roots project generation followed by project level exploration usually with a partner which funds exploration costs. All properties which are under consideration for acquisition must initially pass through Company generated evaluation criteria. Properties which are considered worthy are then acquired, provided a reasonable agreement can be reached with the owner or the property is available for staking or acquisition upon application. In cases where the project does not develop to the stage that management perceives it to be likely to attract such financing or if subsequent work by the Company indicates that further in-house work will not yield favourable results, the property is abandoned and written down.

Off-Balance Sheet Arrangements

At September 30, 2015, the Company had no off-balance sheet arrangements such as guarantee contracts, contingent interest in assets transferred to an entity, derivative instruments obligations or any obligations that trigger financing, liquidity, market or credit risk to the Company.

Property Agreements and Exploration

The Company is engaged in the evaluation, acquisition and exploration of mineral properties in Ecuador and Chile, of which most of the exploration activities of the Company are carried on with partners. The Company plans to ultimately develop the properties, bring them into production, option or lease properties to third parties, or sell the properties outright. The Company typically uses an "earn-in" arrangement with partners, whereby the partner funds all the exploration expenditures in return for a percentage ownership in the project. The Company capitalizes all such property expenditures and reduces the property carrying value by payments received by its partners.

Details of property agreements are disclosed by press release at the time of formation. Updates concerning the results of ongoing exploration programs are also updated by press release. Press releases issued by the Company, including those issued during the quarter ended September 30, 2015, are archived at the Company's website www.cornerstoneresources.com. Regulatory filings are also available through www.sedar.com.

Exploration Outlook

The focus of the Company in 2014 has been and will continue in 2015 to be on its projects in Ecuador, and on the Miocene project in Chile. Our business model remains that of a prospect generator, and we will continue to seek partner funding to advance our properties while retaining a minority and/or royalty interest.

ECUADOR

Cascabel and La Encrucijada (subject to an earn-in agreement with SolGold plc)

On April 10, 2012, the Company and SolGold Plc ("SolGold") announced that they had signed a binding letter of intent ("LOI") outlining the terms of an option arrangement for the Cascabel property. On July 24, 2012 the Company and SolGold signed the definitive agreement and on February 19, 2013, the Company announced re-negotiated terms of the agreement with SolGold. The agreement was further amended effective February 24, 2014 (see News release dated December 16, 2013 for a summary of the agreed amendments, which were later formalized on February 24, 2014 and filed on Sedar on February 25, 2014).

Under the new agreement:

-SolGold immediately subscribed for Cornerstone shares at the higher of $0.05 cents a share or a 7-day volume weighted average price ("VWAP") for a subscription amount of $200,000 and was issued a 20% interest in ENSA.

-In April 2013 SolGold acquired a further 10% interest giving it a direct 30% interest in ENSA by subscribing a further $250,000 of Cornerstone shares at the higher of $0.05 cents a share or 7-day VWAP.

-In August 2013, SolGold elected to make a further placement in Cornerstone of $500,000 at $0.065 per share (the higher of $0.05 cents or 7-day VWAP) on the issuance of the environmental licence to allow drilling to occur at Cascabel. SolGold received an additional 20% interest in ENSA taking SolGold's position to 50% of ENSA.

- On February 25, 2014, the Company announced it had been notified by SolGold of its election to increase its ownership in ENSA to 85%. The Company received $250,000 as a private placement and issued 2,500,000 common shares to SolGold. The Company also received 488,560 common shares of SolGold, representing $100,000 as per the agreed upon terms of the agreement.

-SolGold will finance Cornerstone's 15% interest in the project to completion of a feasibility study on SolGold's schedule and budget. If Cornerstone fails to fund its proportionate share of ongoing expenditures following completion of the feasibility study and its interest is diluted below 10% such interest will be converted to a 0.5% Net Smelter Return ("NSR"). SolGold may buy out this and other royalties on Cascabel for payments of US$7.5 million ($3.5 million to buy out Cornerstone's 0.5% NSR and $4 million to buy out an underlying 2% NSR to a 3rd party). SolGold may recover Cornerstone's financed costs to completion of the feasibility study study from 90% of Cornerstone's share of Cascabel project cash flows.

The four most significant holes drilled to date at Cascabel are as follows:

Drill Hole CSD-13-005

Hole CSD-13-005 at the Alpala porphyry target is generally considered to be the discovery hole at Cascabel. The following highly significant intersections were generated:

> **1306m grading 0.62% Cu and 0.54 g/t Au (from 24m)**;
> **672m grading 0.93% Cu and 0.91 g/t Au (from 658m);**
> **552m grading 1.03% Cu and 1.05 g/t Au (from 778m); and**
> **an even higher grade interval of 258m grading 1.27% Cu and 1.40 g/t Au from 1052m depth.**

Drill hole CSD-14-007

Hole CSD 14-007 intersected 597.26m @ 0.46 % copper and 0.18 g/t gold from 654m to 1251.26m depth, including:

> **195.26m @ 0.67 % copper and 0.34 g/t gold from 1056m; and**
> **51.26m @ 1.05 % copper and 0.85 g/t gold from 1200m depth.**

From 654m to 1612m, 958m @ 0.40% copper (Cu) and 0.17 g/t gold (Au), including the following intersections:

> **From 1056m to 1294m, 238m @ 0.65% Cu and 0.35 g/t Au**
> **From 1160m to 1294m, 134m @ 0.75% Cu and 0.50 g/t Au**
> **From 1200m to 1294m, 94m @ 0.84% Cu and 0.62 g/t Au**

Drill hole CSD-14-009

Drill hole CSD-14-009 (“Hole 9”) total downhole interval extends over 1 kilometre and remains open at depth. A bulk intersection of 1270.8m grading 0.59% copper and 0.77 g/t gold (~485m true width) for 1.06% copper equivalent from 430m to 1700.8m (current hole depth).

> **Includes 1058m grading 0.68% copper and 0.92 g/t gold (~401m true width) for 1.21% copper equivalent from 650m to 1700.8m (current hole depth), and 772m grading 0.80% copper and 1.19 g/t gold (~295m true width) for 1.51% copper equivalent from 710m to 1482m**

Two distinct high grade porphyry stockwork zones intersected:

Upper High Grade Zone of 110m @ 1.13% copper and 2.32g/t gold (~42m true width) for 2.53% copper equivalent from 710m

Lower High Grade Zone of 420m grading 1.00% Cu & 1.35 g/t Au (~160m true width) for 1.81% Cu equivalent from 1062m; including 298m @ 1.24 % copper & 1.72g/t gold (~114m true width) for 2.28% copper equivalent from 1184m

Drill hole CSD-15-012

CSD-15-012 ("Hole 12") final assay results from high grade porphyry copper gold mineralization return intersection of:

- **1312m @ 0.67 % Cu, 0.63 g/t Au, for 1.05 % CuEq, including:**
    - **1002m @ 0.76 % Cu, 0.77 g/t Au, for 1.22 % CuEq, and**
    - **576m @ 1.03 % Cu, 1.19 g/t Au, for 1.75 % CuEq**

La Encrucijada is part of the same earn-in agreement with SolGold plc. Earlier prospecting work carried out by the Company confirmed results from previous property owners, which indicates good potential for significant shallow epithermal gold-silver mineralization and porphyry gold-copper mineralization at depth. No significant work was done on the property during the year.

Shyri NW Concession (Vetas Grandes Prospect, - Gold/Silver - 100% Cornerstone, available for option)

The Company believes its 100% owned "Shyri NW" concession, the site of the **Vetas Grandes** prospect, has the potential to host a significant epithermal style gold-silver deposit. The Company has retained a local consultant to prepare a stakeholder map and action plan to carry out community consultations and obtain environmental approvals required to commence Phase 1 drilling at Vetas Grandes. Environmental consulations and drilling will not begin until the Company can locate a suitable partner to fund the activities.

Caña Brava - Gold/Copper - (Available for option. Cornerstone has the right to earn 100%)

On February 26 2015, the Company announced results from prospecting and geological mapping surveys carried out during 2014 on its 100% owned Caña Brava property located in south-central Ecuador. The surveys identified (1) two significant porphyry Cu-Au targets well defined by coincident geological, geochemical and ground magnetic anomalies, (2) an intermediate sulphidation, higher grade, epithermal Au-Ag-Cu veins-breccia system mapped on the northern margin of the porphyry targets, and (3) a high sulphidation epithermal Au-Ag system recognized in the northeast corner of the property. Subsequently, a trenching program was completed (20 trenches, 599 metres, 301 channel samples), spectrometry (Terraspec) work carried out on soil samples (552), rock chips and channel samples (706) and a Phase 1 drill program has been prepared. The Company is seeking a partner to fund more advanced exploration programs on the property.

The Company has the right to earn a 100% interest in the Caña Brava project in return for cash option payments each 6 months, starting at $15,000 and increasing by $5,000 increments to $ 40,000 at month

42 and then continuing at that level until the Company decides to exercise the option by making a final balloon payment of $350,000. The $350,000 balloon payment may be made early, and the option exercised at any time, in which case the remaining semestral payments in the schedule do not have to be made (all amounts are US$). The Company made the first option payment on signing the option contract, and then declared force majeure due to the 2008 Mining Mandate (Moratorium) in Ecuador and the recovery of the concession title during a long appeal process. Force majeure was lifted in 2014 due to recent resumption of limited exploration activities by the Company at Caña Brava, at which time the option payments resumed again.

Bella Maria – Gold (100% Cornerstone, available for option)

On May 11, 2012, the Company announced that it has received authorization to resume activities on the Bella Maria project (adjacent to Odin Mining's Greater Cangrejos property) and provided a summary of results for exploration work carried out prior to the April 2008 Mining Moratorium. Initial results indicate that the property has excellent potential for hosting significant gold and copper mineralization. Stream sediment samples collected across the property are exceptionally anomalous in gold, and a large coincident gold- and copper-in-soil anomaly accompanied by porphyry style mineralization has been identified in the central part of the property. Four mineralized prospects have been identified.

On October 2, 2014 the Company announced that (1) systematic exploration programs carried out in 2014 confirm previously defined extensive gold-copper-molybdenum in-soil anomalies, and (2) three new prospective areas have been defined for copper-gold mineralization.

Macara (with Newmont Ventures Limited)

On September 18, 2015 the Company announced that it had received a letter from Newmont Ventures Limited, a subsidiary of Newmont Mining Corporation ("Newmont") (NYSE:NEM), terminating the Strategic Alliance and Venture Agreement between them dated February 11, 2008 concerning the Macara project in southern Ecuador. Due to the inability of the Company to acquire additional prospects in the area of interest of the Macara Strategic Alliance because the Ecuadorean government is not yet accepting applications for mineral rights there, earlier in 2015 Newmont and Cornerstone decided to relinquish the Bella Vista property, which was the only surviving property in the Strategic Alliance since the 2008 Mining Mandate (moratorium). Cornerstone completed $1,000,000 of reconnaissance exploration within the 2500 km2 area of influence from 2007 to 2009. Regional prospecting and sampling (more than 3000 samples) defined 16 prospective gold-copper targets to be followed up once mineral properties are made available by the Ministry of Mining.

ENAMI Letter of Intent

On April 14, 2015, the Company signed a letter of intent with Ecuador's State Mining Company "ENAMI EP", to jointly explore new prospective gold and copper properties identified using the Company's extensive proprietary geological data base gathered since 2005 in Ecuador. The principal terms of the arrangement are as follows:

The Company will identify geologically prospective areas covering between 5,000 to 50,000 hectares in parts of Ecuador that are currently off limits to application by private companies. ENAMI will use its preferential right to acquire the mineral exploration concession rights, and then the Company (employing its prospect generator business model) and a funding partner(s) (who will earn a majority interest in the project, the exact percentage to be negotiated with the Company) will earn an interest in each specific area or project explored, by incurring committed first year prospecting expenditures, optional early and advanced stage exploration expenditures (including drilling) for a period of up to 8 years, and, if warranted, additional sums in optional feasibility study expenditures for up to 4 additional years.

At the end of the advanced exploration phase (prior to feasibility study), the parties will form a joint venture, ENAMI will contribute the mineral rights in return for a 16% interest, and the Company and its funding partner will contribute their expenditures incurred to date in return for an 84% interest. ENAMI will have a free carried interest through to completion of a feasibility study. In the event the Company and its funding partner(s) agree to make a Production Decision, ENAMI will have the option to convert 5% of its participating interest to a 1% royalty, and have the Company and its funding partner(s) finance the remaining interest or part of the remaining interest under certain commercial terms, such financing to be repaid out of project cash flows. The Company will have a right of first refusal (ROFR) over any sale by ENAMI of its equity participation in the joint venture or any royalty.

The Letter of Intent is subject to execution of a definitive binding agreement, expected to be signed soon.

CHILE

Miocene – Gold - (Available for option. Cornerstone has the right to earn 100%)

On July 3rd, 2014, the Company announced that it had further amended the Miocene (Chile) Property Agreement (see also news releases dated February 22, 2011 and May 8, 2014), to reduce the $5 million in required exploration expenditures to $2.5 million. Under the amended Agreement dated June 27, 2014, Cornerstone now has the right to acquire an undivided 100% interest in any concessions acquired using a proprietary database within the Miocene Project area in return for option payments totaling $250,000 and $250,000 in common shares of Cornerstone by April 28, 2017 both in annual increments, and $2.5 million in exploration expenditures in annual increments by April 28, 2019 (all amounts are CAD$).

On November 4, 2014 the Company announced the re-start of work at Miocene during the austral summer. Five prospective areas defined by previous compilation and exploration work within the Miocene property were the focus of the recent exploration program: El Chaco, Zona Norte, Llano Blanco, Cerro Bayos Norte and Cerro Bayos Sur (Figure 3). Semi-detailed geological mapping (scale 1:5000) and systematic rock geochemical sampling were carried out in these five areas. 390 rock samples were collected, assayed for precious metals (gold and silver) and a suite of base metals and epithermal pathfinder elements. Spectrometry work (ASD TerraSpec) was carried out on all rock specimens (478 samples) collected during the 2011 to 2014 field programs.

Two sub-parallel NW-SE oriented alteration / anomalous trends affect the volcanic units present on the property. The Cerro Bayos (CB) alteration zone covers an area of approximately 9km by 3km and is located in the SW extension of the Atlas Gold, Atlas Silver and the Pampa epithermal prospects. Alteration minerals (native sulphur, predominant alunite, vuggy and massive silica and some silica-clay in the peripheral parts) and 3D distribution mapped along this trend are typical of high sulphidation epithermal system, centered on the highest part of Cerro Bayos Norte (CBN), with the top of the paleo-phreatic zone estimated to be at approximately 4260 masl. Similar alteration patterns are present at Cerro Bayos Sur (CBS) where the top of the paleo-phreatic zone at this location is estimated at 4150 masl. High temperature alunite and high cristallinity kaolinite minerals are centered on the CBN and CBS zones, with some minor presence within the Llano Blanco trend to the south. The aerial extent of the prospective CBN and CBS alteration zones are at least 5 km by 3 km and 4 Km by 2.5 km but can possibly be significantly larger as they are partly covered by a thin veneer of relatively fresh younger volcanic rocks and gravels.

Rock geochemical anomalies defined on the Miocene property are very similar in distribution and intensities to anomalies defined during the regional prospecting program in the vicinity of the Atlas Gold and Silver prospects located to the NW. As expected in the upper part of this epithermal environment, the gold content is systematically low. Strong arsenic and mercury anomalies are present at El Chaco, CBN and CBS and to a minor degree at Azufre and Silice Masiva zones. Barium anomalies are present at CBN, Llano Blanco Norte and Cerro Azufre. Molybdenum is anomalous at CBN, to the NE of CBN and to a minor degree at CBS, Llano Blanco Norte and Silice Masiva zones. A large and strong copper anomaly is present at CBN and some less intense but widespread anomalies at Llano Blanco Norte and Cerro Azufre sectors. Sulphur anomalies are present at CBN, CBS, Llano Blanco Norte and Cerro Azufre

One of the Miocene concessions lies adjacent to Mirasol Resources Ltd.'s (TSXV-MRZ) Titan project, where recent trench channel sampling has returned anomalous gold of 194 m at 0.41 g/t gold and higher grade intervals including 31 m at 1.36 g/t gold and 10 m at 2.13 g/t gold. Mirasol interprets the newly discovered mineralization as a high-sulphidation epithermal gold system sitting above a postulated mineralized intrusion at depth. Recently completed ground geophysical surveys comprising high resolution magnetics and induced polarization support the aforementioned deposit model(s). The Company holds a strong land position in this part of the Miocene Belt (>31,000 hectares), including approximately 16,000 hectares in the same district as the Titan project. The Company is encouraged by early results from Mirasol's Titan project, which serve to support the conceptual model utilized in acquiring the Miocene concessions. The Company continues to seek a partner to help advance exploration on this exciting early-stage project.

Qualified Person

The technical information contained in this exploration update has been reviewed and approved by Yvan Crepeau, P.Geo., Vice President Exploration of the Company. Mr. Crepeau is also president of Cornerstone Ecuador S.A. and Minera Cornerstone Chile Limitada (Ecuadorian and Chilean projects), and a Qualified Person in accordance with National Instrument 43-101.

Investor Relations Activities

The Company continues to work at broadening its investor base through strategic marketing and on-going investor communications through timely news releases and regular targeted updates. Due to the downturn in the equity markets for exploration companies, the Company will continue to handle most of its investor relations activities in-house. During the year, the CEO and the Vice President of Exploration promoted the Company's projects at the Prospect & Developers Association of Canada (PDAC)'s annual conference in Toronto in March, and the Sprott Vancouver Natural Resource Symposium in July. The CEO and the VP Exploration were also interviewed in March and July 2015 by gold analyst Jay Taylor on his weekly radio program.

Risks and Uncertainties

The Company is principally involved in mineral exploration, which is an inherently high-risk activity. Exploration is also capital intensive and the Company has no sources of funding other than financing arrangements with other mining and exploration companies and equity financing. Only the skills of management and staff in mineral exploration and exploration financing serve to mitigate these risks. The ability of the Company to continue operations into the future is dependent upon continuing to obtain favourable results from its exploration activities, which will affect its ability to attract partners and to raise financing. The participation of partners is very important to the future success of the Company.

The Company has a simple business model, one which is as low risk as possible in such a high risk business as mineral exploration: to generate diversified exploration projects at low cost to the Company, to attract partners to finance further exploration and to be the operator on the majority of these projects which allows the Company to transfer personnel and administration costs to the project on a cost plus basis, thereby maintaining a lower burn rate. The more projects that can be generated and the longer the company can obtain financing the better its chances for achieving success. The Cascabel project in Ecuador is an example of the Company's success in generating prospects with excellent potential for large discoveries.

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. Exploration activity is also dependent on the laws of local governments, including aboriginal governing bodies, which may change from time to time, and may have an effect on the Company's exploration programs.

The Company is subject to political risk, operating in foreign jurisdictions. The Government of Ecuador, which on March 5, 2012 signed its first major mining development agreement for the Mirador copper project, is increasingly welcoming environmentally friendly, socially responsible, sustainable mining development and the Company is positioning itself to be a major player in Ecuador.

Selected Annual Information

The following information has been derived from the three most recently completed annual financial statements:

As at December 31,	**2014**	**2013**	**2012**
	$	**$**	**$**
Net loss	(2,068,776)	(1,684,597)	(7,389,926)
Loss per share - basic and diluted	(0.01)	(0.01)	(0.05)
Total assets	5,389,527	3,461,046	4,289,629

Summary of Quarterly Results

The following information has been derived from the eight most recently completed quarters, all presented under IFRS.

	September 30, 2015 $	June 30, 2015 $	March 31, 2015 $	December 31, 2014 $
Net loss	(2,815,566)	(632,735)	(817,180)	(1,084,629)
Loss per share - Basic and diluted	(0.015)	(0.003)	(0.004)	(0.006)

	September 30, 2014 $	June 30, 2014 $	March 31, 2014 $	December 31, 2013 $
Net loss	(357,654)	(475,452)	(151,041)	(222,026)
Loss per share - Basic and diluted	(0.002)	(0.003)	(0.001)	(0.001)

Management's Responsibility for Financial Statements

The Board of Directors carries out its responsibility for the consolidated financial statements primarily through the audit committee which is composed of independent, non-executive directors who meet periodically with management and auditors to review financial reporting and internal control matters.

Future Accounting Changes

The following standards are effective for annual periods beginning on or after January 1, 2015, with earlier adoption permitted. The Company has not early adopted these standards and is currently assessing the impact they will have on the financial statements.

IFRS 9 - *Financial Instruments* - A finalized version of IFRS 9 which contains accounting requirements for financial instruments, replacing IAS 39 Financial Instruments: Recognition and Measurement has been issued and is effective for annual periods beginning on or after January 1, 2018. The standard contains requirements in the following areas: classification and measurement, impairment, hedge accounting and de-recognition. IFRS 9 (2014) supersedes IFRS 9 (2009), IFRS 9 (2010) and IFRS 9 (2013), but these standards remain available for application if the relevant date of initial application is before February 1, 2015.

Amendments to IFRS 11 *Accounting for Acquisitions of Interests in Joint Operations*

The amendments to IFRS 11 provide guidance on how to account for the acquisition of a joint operation that constitutes a business as defined in IFRS 3 *Business Combinations*. Specifically, the amendments state that the relevant principles on accounting for business combinations in IFRS 3 and other standards (e.g. IAS 36 *Impairment of Assets* regarding impairment testing of a cash generating unit to which goodwill on acquisition of a joint operation has been allocated) should be applied. The same requirements should be applied to the formation of a joint operation if and only if an existing business is contributed to the joint operation by one of the parties that participate in the joint operation. A joint operator is also required to disclose the relevant information required by IFRS 3 and other standards for business combinations. The amendments to IFRS 11 apply prospectively for annual periods beginning on or after 1 January 2016.

Amendments to IAS 16 and IAS 38 *Clarification of Acceptable Methods of Depreciation and Amortization*

The amendments to IAS 16 prohibit entities from using a revenue-based depreciation method for items of property, plant and equipment. The amendments to IAS 38 introduce a rebuttable presumption that revenue is not an appropriate basis for amortization of an intangible asset. This presumption can only be rebutted in the following two limited circumstances:

a) When the intangible asset is expressed as a measure of revenue; or
b) When it can be demonstrated that revenue and consumption of the economic benefits of the intangible asset are highly correlated.

The amendments apply prospectively for annual periods beginning on or after January 1, 2016.

Contingencies

The Company has received two claims instituted by individuals, the first with respect to an exploration contract with a prospector (currently in arbitration in Canada), and the second an employment matter (a claim in Cuenca, Ecuador for severance by a consultant claiming he was an employee). The plaintiff in the employment claim in Ecuador won a US$36,000 trial judgment that the Company appealed. The Company received notice November 19, 2015 that our appeal was granted and we have no liability. The plaintiff has a right for a limited time to appeal to the Supreme Court in Quito. Although the final outcome of both matters cannot be predicted with certainty, management currently considers the Company's exposure to such claims and litigation to be minimal, except for increased legal fees to defend the matters. As such, no provision has been recorded in these financial statements.

Other

The Company's shares are traded on the TSX Venture Exchange under the stock symbol CGP as well as the over the counter market in the USA under the symbol CTNXF. The Company is also listed on the Frankfurt and Berlin Stock Exchanges under the stock symbol GWN.

Financial Statements and press releases issued by the Company, including those issued during the quarter ended September 30, 2015, and other information concerning the Company are archived at the Company website www.cornerstoneresources.com. Regulatory filings are also available through www.sedar.com.