

# Cornerstone Capital Resources Inc. (TSXV: CGP)

## Background

- Cornerstone is the founding partner of Cascabel, the only available Tier 1 copper-gold asset in the world not owned by a global, multi-national mining company
- Cornerstone owns a 15% carried interest in Cascabel and 7.6% of project operator SolGold (LSE/TSX: SOLG) or effectively 21.4% of Cascabel
- SolGold owns, subject to the satisfaction of certain conditions, 85% of Exploraciones Novomining S.A. ("ENSA") which holds 100% of the Cascabel concession

### Cornerstone Snapshot

#### Capitalization Summary

Share Price - C\$	\$6.30
Basic Shares Outstanding (MM)	32.4
FD ITM Shares Outstanding (MM)	37.1
<b>Market Capitalization (US\$MM)</b>	<b>\$175</b>

#### Top Shareholders (% Basic)

Maxit Capital/D. Bob Sangha	19.4%
Greg Chamandy (Chairman)	10.8%
Rosseau Asset Management	10.5%
Sprott & Clients	~5.0%
SolGold	4.8%
<b>Total Top Shareholders</b>	<b>50.5%</b>

### SolGold Snapshot

#### Capitalization Summary

Share Price - GBP	£0.278
Basic Shares Outstanding (MM)	2,072.2
FD ITM Shares Outstanding (MM)	2,080.7
<b>Market Capitalization (US\$MM)</b>	<b>\$748</b>

#### Top Shareholders (% Basic)

DGR/Tenstar/Mather	20.0%
BHP	13.6%
Newcrest	13.6%
Cornerstone	7.6%
BlackRock	5.2%
<b>Total Top Shareholders</b>	<b>60.0%</b>

## Top 10 Reasons to Invest in Cornerstone

- Cascabel is a world class, Tier 1 asset that has been endorsed by BHP, Newcrest and Franco-Nevada
- Opportunity for new investors in Cornerstone to buy in at ~C\$6.30 which represents a **~27% discount to the ~C\$8.60/CGP share that Cornerstone's top 3 shareholders acquired their shares at**
- BHP's cost base of ~33p implies **~C\$11/CGP share** <sup>(2)</sup> – **BHP is restricted until October 19, 2020**
- Newcrest's block purchase in December 2018 at 40p implies **~C\$13/CGP share** <sup>(1)</sup>
- 15% carried interest in Cascabel – free ride until completion of a bankable feasibility study
  - SolGold must fund 100% of expenditures through to feasibility
  - No dilution for Cornerstone vs. proposed onerous Franco-Nevada royalty (SolGold solely liable)**
  - Cornerstone only pays back spend after production is achieved from 90% of Cascabel earnings at LIBOR + 2%
- Precedent transactions average of US\$0.07/lb Cu Eq. implies **~C\$18/CGP share on Alpala alone** <sup>(1)</sup>
- Cornerstone's interest in Cascabel provides an **attractive opportunity for a potential acquirer to secure a strategic position superior to any other SolGold shareholder**

Source: FactSet and company disclosure.

Notes: Market data as at September 30, 2020. Based on a CAD:USD and GBP:USD FX rate of 0.7486 and 1.2928, respectively.

(1) Refer to press release and Directors' Circular dated July 14, 2020.



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## Top 10 Reasons to Invest in Cornerstone (cont'd)

- 8) No one has a right of first refusal on Cornerstone
- 9) No value ascribed to **ENAMI Strategic Exploration Alliance**, 12.5% carried interest in **Bramaderos** and properties subject to **farm-in agreements with Newcrest (Caña Brava & Miocene)**
- 10) Very high management and insider ownership ensures ultimate alignment of shareholder interests

## Contact Information

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Yvan Crepeau, MBA, P.Geo., Cornerstone's Vice President, Exploration and a qualified person in accordance with National Instrument 43-101, has reviewed and approved the information contained in this company profile.