



**Management's Discussion & Analysis of
Financial Conditions & Results of Operations
For the Years Ended December 31, 2021 and 2020**

CORNERSTONE CAPITAL RESOURCES INC.

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The following management's discussion and analysis, dated April 29, 2022, should be read in conjunction with Cornerstone Capital Resources Inc. (the "Company" or "Cornerstone")'s audited consolidated financial statements and related notes for the years ended December 31, 2021 and 2020. 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 expects are forward-looking statements. Although Cornerstone 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 is incorporated under the laws of Alberta, Canada and has its principal office in Ottawa, Ontario, Canada. The Company, through its wholly-owned subsidiaries, its 15% shareholding in Exploraciones Novomining S.A. ("ENSA"), and its 12.5% shareholding in La Plata Minerales S.A. ("PLAMIN"), is engaged in the evaluation, acquisition and exploration of mineral properties in Ecuador and Chile. The Company is a prospect generator following the joint venture model, and plans to advance the properties to the drill ready stage and option them to third parties under farm-in/joint venture arrangements, or sell the properties outright. In exceptional cases, the Company may consider drilling the properties itself without a funding partner.

At December 31, 2021, the Company and its subsidiaries had a total of 21 concessions in Chile and five concessions in Ecuador (not counting the Cascabel concession held by ENSA). The Company's four concessions in Ecuador (not counting the Cascabel concession held by ENSA and the Bramaderos concessions held by PLAMIN) are Bella Maria, Caña Brava, Tioloma, and Shyri NW (containing the Vetás Grandes prospect).

On March 6, 2017, the Company announced that its strategic partner, Ecuador State Mining Company ENAMI EP ("ENAMI"), had been granted eight mineral concessions totalling more than 37,182 hectares in Imbabura and Carchi provinces in the same area as the Cascabel and the Llorimagua concessions, for exploration under a strategic alliance between Cornerstone Ecuador S.A. ("CESA"), a wholly owned Ecuadorian subsidiary of Cornerstone, and ENAMI (described below). A ninth concession in the same area was later added to the strategic alliance. The nine concessions are grouped into three concession blocks, Espejo (4 concessions) east and northeast of Cascabel, Playa Rica (3 concessions) and Rio Magdalena (2 concessions) both southwest of Cascabel.

ENAMI is 100% owned by the Ecuadorian state and the Company has an earn-in option right related to these concessions (described below).

Results of Operations

For the year ended December 31, 2021, compared with December 31, 2020:

During the year ended December 31, 2021, the Company had a net loss before other comprehensive loss of \$6,773,074 compared to a net loss before other comprehensive income of \$6,568,050 for the year ended December 31, 2020. During the year ended December 31, 2021, the Company had other comprehensive (loss) income of (\$6,175,870) compared to \$87,147,107 for the year ended December 31, 2020. The other comprehensive loss relates to the change in valuation of the long-term investment in ENSA and the SolGold plc (“SolGold”) marketable securities during the year. Refer to the financial statements for the year ended December 31, 2021, as well as the year ended December 31, 2020, for more details regarding the change in valuation as well as the valuation method used to determine the value of the investment in ENSA.

Expenses from the operations of the Company during the year ended December 31, 2021, were \$6,973,362 compared to \$7,365,149 for the year ended December 31, 2020. The most notable variances in expenses are:

Exploration and evaluation expenses were \$4,223,043 for the year ended December 31, 2021 compared to \$4,011,108 for the same period in 2020. The increase in expenditure is primarily due to the Company spending more on non-partner-funded projects (primarily Espejo and Bella Maria) during the year ended December 31, 2021.

General & Administrative expenses were \$400,491 for the year ended December 31, 2021 compared to \$422,398 for the same period in 2020. The decrease in the year ended December 31, 2021 is due to reduced overhead costs at its office in Ottawa compared to 2020, as well as reduced travel costs.

Share-Based Payments were \$864,869 for the year ended December 31, 2021 compared to \$794,238 for the same period in 2020. The increase is due to timing and price of options granted during the year.

Accounting, audit and legal fees were \$473,855 for year ended December 31, 2021, compared to \$1,154,964 for the same period in 2020. The decrease is primarily due to increased legal and advisory fees, incurred in 2020, relating to a failed proposed hostile takeover first announced by SolGold Plc on January 31, 2019 and finally formalized on June 30, 2020 (see news releases dated January 31, February 8 and March 8, 2019 and June 30 and October 15, 2020).

Consulting fees were \$808,126 for the year ended December 31, 2021, compared to \$730,864 for the same period in 2020. The increases in the year ended December 31, 2021 are primarily due to

performance bonuses totaling \$103,938 paid to the CEO and CFO for the current year. No bonuses were paid in the year 2020 (see “*Related Party Transactions*”).

Exploration and evaluation assets

Net exploration expenditures of \$4,223,043 (2020 - \$4,011,108) were incurred during the year ended December 31, 2021. Please also see text in the “Results of Operations Section” labelled *Exploration and evaluation expenses*.

Geographical Area	Year ended	
	December 31, 2021	December 31, 2020
	Exploration and Evaluation expenditures	Exploration and Evaluation expenditures
	\$	\$
Chile	(1,661)	(3,370)
Ecuador	4,224,704	4,014,478
	4,223,043	4,011,108

Exploration expenditures incurred in Ecuador and Chile for the year ended December 31, 2021, have been reduced by \$2,082,485 (December 31, 2020 - \$690,364) and \$91,149 (December 31, 2020 - \$67,392), respectively, as a result of reimbursement of expenditures charged to the Company’s exploration farm-in agreement funding partners.

On August 28, 2019, Sunstone Metals Inc. (“Sunstone”) had spent the required amount to acquire its initial 51% interest in the Bramaderos property. On January 7, 2020 the farm-in arrangement was amended to provide Sunstone with an 87.5% interest, leaving the Company with a 12.5% interest carried by Sunstone through to the start of commercial production and repayable at Libor plus 2% out of 90% of Cornerstone’s share of earnings or dividends from Bramaderos.

Financial Conditions, Liquidity and Capital Resources

At December 31, 2021, the Company had cash balances of \$6,228,822 (December 31, 2020 - \$7,379,558) and current liabilities of \$540,056 (December 31, 2020 - \$861,995). To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors of Cornerstone (the “Board of Directors”) considers securing additional funds through equity, partnering transactions or sale of assets. All the Company’s financial liabilities are normally paid within 30 days and are subject to normal trade terms. The Company has no source of operating cash flow to fund its exploration and development projects. Funding for projects requires equity financing or partner funding. The Company has limited financial resources and there is no assurance that funding will always be available to allow the Company to fulfill its obligations on existing or future exploration projects.

On December 9, 2020, the Company completed a financing consisting of the issuance of 1,540,000 common shares at \$5.00 per share for proceeds of \$7,700,000. An additional 67,200 shares at \$5.00 per share were issued for finder’s fees plus \$12,000 cash, for total finder’s fees of \$348,000.

Outstanding Share Data

On July 12, 2019 the company implemented a share consolidation where shareholders received 1 post-consolidation common share for every 20 pre-consolidation common shares held (see news release dated July 11, 2019). The numbers of shares, options and warrants reflect the consolidation.

At December 31, 2021, the Company had 36,921,277 common shares outstanding. The Company had 2,108,875 stock options outstanding at December 31, 2021, at various exercise prices as shown in the following table, and no warrants outstanding at December 31, 2021.

The following table summarizes information about stock options outstanding and exercisable at December 31, 2021:

Expiry date	Grant date	Exercise price	Options outstanding	Contractual Life (years)	Options vested	Options unvested	Years remaining to maturity
12-Jul-22	12-Jul-17	\$9.05	375,000	5	375,000	-	0.53
12-Sep-23	12-Sep-18	\$4.30	811,875	5	811,875	-	1.70
05-Aug-24	06-Aug-19	\$4.00	432,000	5	432,000	-	2.60
09-Aug-26	10-Aug-21	\$4.00	490,000	5	163,334	326,666	4.61
			2,108,875		1,782,209	326,666	

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

Credit risk refers to the potential loss arising from any failure by counterparties to fulfill their obligations, as and when they fall due. It is inherent to the business that potential losses may arise due to the failure of its counterparties to fulfill their obligations on maturity periods or due to adverse market conditions. The Company's financial assets exposed to credit risk are primarily composed of cash, and accounts receivable (trade and other). Maximum exposure is equal to the carrying values of these assets. The Company's cash is held at several large financial institutions. Funds are kept in Canadian banks in CAD and USD accounts and transferred on a monthly basis as needed to Ecuador and Chile, whose banking systems and standards for professional services are comparable to those in North America.

As of the date of the MD&A, the Company's receivables are with the Canadian government and other recognized creditworthy third parties.

Foreign currency risk

The Company transacts much of its business in US dollars, the currency of Ecuador, and therefore is subject to foreign exchange risk on US dollar receivables, trade payables and cash balances. The Company attempts to mitigate these risks by keeping its expected US dollar expenditures in US dollar accounts (which helped to avoid the adverse impact of a decline in the value of the Canadian dollar). The Company believes that it adequately manages its foreign exchange risk, and the risk is minimal. The following table shows the net exposures in US dollar accounts presented in Canadian dollars.

	December 31, 2021 (\$)	December 31, 2020 (\$)
Cash	5,636,165	6,181,593
Receivables	1,035,155	604,471
Trade payables and accrued liabilities	(336,097)	(466,878)
Net US dollar exposure presented in CAD	6,335,223	6,319,186

Based upon the above net exposures to US dollars as presented in Canadian dollars, at December 31, 2021, a 10% change in the value of the US dollar to the Canadian dollar exchange rate would impact the Company's net loss by approximately \$633,500 (December 31, 2020 - \$631,900).

Liquidity risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they become due. At December 31, 2021, the Company had a cash balance of \$6,228,822 (December 31, 2020 - \$7,379,558) to settle current liabilities of \$540,056 (December 31, 2020 - \$861,995). To the extent that the Company does not believe it has sufficient liquidity to meet its current obligations, the Board of Directors considers securing additional funds through equity, partnering transactions or asset sales. All the Company's financial liabilities are normally paid within 30 days and are subject to normal trade terms. The Company has no source of operating cash flow to fund its exploration and development projects. Funding for projects requires equity or debt financing.

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.

The value of the Company's 15% interest in ENSA is classified as fair value through other comprehensive income (FVOCI). The Company has a long-term investment in ENSA, which is a private

company with no quoted price in active markets and has therefore been classified as a level 3 fair value measurement.

Management of the Company engaged an independent valuation firm to prepare a valuation of the investment in ENSA based primarily on various technical report updates issued during 2020 and 2021. Secondary factors considered in the valuation included but were not limited to Cornerstone's and SolGold's financial statements for the periods ended December 31, 2020 and 2021, and public information with respect to mineral properties, foreign exchange rates and market dynamics.

The valuation firm provided Cornerstone with valuation methods in which there was sufficient information to determine a reasonable value for the investment in ENSA. The valuation firm based its conclusion on the valuation of ENSA using the Comparable Public Company approach and based on the enterprise value of SolGold. This approach provided Cornerstone with a range in which a reasonable valuation for ENSA would fit. Management selected a valuation of ENSA that was within the range provided in the valuation report.

The Company's 12.5% interest in PLAMIN has not been valued due to its early stage of exploration. Therefore, the carrying value at December 31, 2021 is \$Nil. (At December 31, 2020 - \$Nil).

Comparable Public Company Approach

The premise underlying comparable public company analysis is that the value of a mineral property can be estimated by analyzing the enterprise value of the public companies which operate similar companies or assets under similar circumstances. The value of the properties is assessed as a metric of enterprise value per copper equivalent pound, which is a risk adjusted metric of the reserves and resources contained within a given company's mine site(s).

When performing a comparable public company analysis, it is necessary to identify representative public companies. In determining the comparability of public companies, factors such as the primary ore, location, development stage, reserves and resources, grade, infrastructure and accessibility for the underlying commodity must be taken into consideration.

The valuation firm concluded that the most comparable public company was SolGold, which holds the 85% interest in the ENSA project (through its wholly owned subsidiary SolGold Finance AG). As a result, the market multiple of SolGold's enterprise value per risk adjusted in situ copper pound identified drove the valuation range concluded in the report.

Historical transaction multiple approach

The valuation firm performed market research to identify historical transactions where properties similar to Cascabel were acquired. The key considerations in identifying comparable properties were as follows:

Exploration stage

Primary metal is copper

NI 43-101 resources technical report has been prepared prior to the transaction.

The valuation firm concluded that none of the companies or assets identified in the historical transaction search were as comparable to the ENSA investment, as that of SolGold identified in the comparable public company market approach.

Summary and conclusion:

The valuation of ENSA is based on the comparable public company multiple implied by the enterprise value of SolGold. The result was a value per risk adjusted in situ copper pound of \$0.052. This value was then subject to a marketability discount of 5%. The model is most sensitive to the in-situ price of copper as determined through analysis of the market capitalization of SolGold.

At December 31, 2021, a 5% increase/decrease in the in-situ price per pound of Copper would result in an increase/decrease in the fair value estimate of ENSA of approximately \$7.8 million keeping all other variables constant.

Management continues to believe that the market approach is the most appropriate approach in consideration of various factors including the volatility in the in-situ value per pound of copper.

Based on the enterprise value of SolGold, the valuation firm has calculated the implied mine value of the Cascabel project using the following key inputs:

- Risk adjusted CuEq lbs. of 21,265 MMlbs
- Value attributable to Cascabel \$/lbs. of 80%
- Adjusted \$/lbs. of \$0.052
- Marketability discount of 5%

Updated Valuation at December 31, 2021

During the years ended December 31, 2021 and December 31, 2020, the Company maintained the same valuation technique for the valuation of ENSA.

The following table presents the fair value, categorized by key valuation techniques and unobservable inputs used within Level 3 at December 31, 2021, and 2020.

Description	Period	Estimated Fair value (\$)	Valuation technique	Significant unobservable input(s)	Range of significant unobservable input(s)
ENSA	December 31, 2021	156,900,000	Modified market approach	In situ value per pound of copper	\$0.052
ENSA	December 31, 2020	150,200,000	Modified market approach	In situ value per pound of copper	\$0.046

Management continues to believe that the modified market approach is the most appropriate approach in consideration of various factors including the volatility in the in-situ value per pound of copper.

The Company had no liabilities recorded at fair value on December 31, 2021, and December 31, 2020. The carrying value of the Company's liabilities approximates its fair value due to the short-term nature.

The Company does not have any level 2 fair value measurements, and there have been no transfers between levels in 2021 and 2020.

The following table presents the change in fair value measurements of financial instruments classified as Level 3 for the year ended December 31, 2021, as well as the year ended December 31, 2020. These financial instruments are measured at fair value utilizing non-observable market inputs. The net unrealized losses and net unrealized gains are recognized in the other comprehensive income / (loss).

	Year ended December 31, 2021	Year ended December 31, 2020
Investments, fair value		
Balance, beginning of year	\$150,200,000	\$ 72,000,000
Changes in valuation	6,700,000	78,200,000
Balance, end of year	\$ 156,900,000	\$ 150,200,000

Within Level 3, the Company includes private company investments which are not quoted in an active market. The key assumptions used in the valuation of these instruments include (but are not limited to) the in situ value of copper based on the valuation reports prepared by independent valuers, SolGold and where available ENSA company-specific information, trends in the exploration market as well as significant fluctuations in commodities, and the share performance of comparable publicly-traded companies.

As the valuation of investments for which market quotations are not readily available is inherently uncertain, the values may fluctuate materially within short periods of time and are based on estimates, and determinations of fair value may differ materially from values that would have resulted if a ready market existed for the investments.

Interest rate risk

At December 31, 2021, and December 31, 2020, the Company does not have any cash balances subject to interest rate risk. The Company's current policy is to invest excess cash in interest bearing deposit accounts or guaranteed investment securities with its financial institutions.

Related Party Transactions

The following represents a summary of transactions with parties under common control and shareholders for the years ended December 31, 2021 and 2020. The amounts are expensed as professional and administrative charges.

Macdonald Consulting LLC, a service company owned by Brooke Macdonald, who serves as the Company's President and CEO, provided the Company with management consulting services. During the year ended December 31, 2021, Macdonald Consulting billed a total of US\$312,000 in consulting fees (CAD\$418,260) (2020 – US\$252,000 (CAD\$375,029)). The Company may terminate the contract without cause by paying Macdonald Consulting an amount equal to 24 months' base consulting fee (US\$21,000 per month) at any time. Fees for the year ended December 31, 2021 include a performance bonus of US\$60,000 (CAD\$72,438). No bonuses were paid during the year 2020.

D.R. Loveys and Associates Inc., a service company owned by David Loveys, who serves as a Director and the Chief Financial Officer for the Company, provided the Company with accounting and management consulting services. During the year ended December 31, 2021, D.R Loveys and Associates Inc. billed a total of \$229,500 (2020 - \$198,000). The Company may terminate the contract without cause by paying D.R. Loveys and Associates Inc. an amount based on the termination date of the existing contract. At December 31, 2021, that amount is \$100,000. Fees for the year ended December 31, 2021 include a performance bonus of \$31,500. No bonuses were paid during the year 2020.

During the year ended December 31, 2021, non-management directors of the Company were paid/accrued, in total, stipends of \$112,500 (2020 - \$121,000).

Compensation for the year ended December 31, 2021, for key management personnel, not included above, is \$1,071,436 (2020 - \$794,008), which includes salary and other short-term benefits of \$310,763 (2020 - \$302,473) and share-based payments of \$760,673 (2020 - \$491,533). These amounts include consulting fees and expatriate benefits for the Company's Vice President, Exploration, group insurances for all management and share based payments for all management and directors.

Acquisition of Mineral Properties

The Company's strategy is grass roots prospect generation followed by initial project level exploration to identify drill targets and obtain environmental and other necessary operational permits, usually with a partner that funds exploration costs beginning at the advanced exploration (drilling) stage. All properties under consideration for acquisition must initially pass through the Company's evaluation criteria. Properties 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 favorable results, the property is returned to the owner or abandoned.

Off-Balance Sheet Arrangements

At December 31, 2021 and December 31, 2020, 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. Some of the exploration activities of the Company are carried on with funding partners. The Company plans to ultimately develop the properties, option them to third parties under farm-in/joint venture arrangements, or sell the properties outright.

Summaries of the terms of material property agreements are disclosed by news release at the time of formation. Updates concerning the results of ongoing exploration programs are also updated by news release. News releases issued by the Company, including those issued during the year ended December 31, 2021, are archived at the Company's website www.cornerstoneresources.com. Regulatory filings are also available through www.sedar.com.

Exploration Outlook

Cascabel Joint Venture with SolGold

Funded by partner SolGold and targeting porphyry copper-gold deposits, our flagship Cascabel property in northern Ecuador has been the focus of a drilling campaign since 2013 that produced results indicating the discovery of a large gold-enriched copper porphyry system (see also ALPALA DEPOSIT PRE-FEASIBILITY STUDY below) . Cornerstone has a 15% interest in Cascabel financed through to completion of a feasibility study plus 6.85% of the shares of joint venture partner SolGold Plc, for a total direct and indirect interest in Cascabel of 20.8%.

ENSA, which is owned by SolGold (through its wholly owned subsidiary SolGold Finance AG) and Cornerstone, holds 100% of the Cascabel concession. Subject to the satisfaction of certain conditions, including SolGold's fully funding the project through to completion of a feasibility study, SolGold will own 85% of the equity of ENSA and Cornerstone will own the remaining 15% of ENSA. SolGold is funding 100% of the exploration at Cascabel and is the operator of the project. SolGold is entitled to receive 90% of Cornerstone's distribution of earnings or dividends from ENSA to which Cornerstone would otherwise be entitled until such time as the amounts so received equal the aggregate amount of expenditures incurred by SolGold that would have otherwise been payable by Cornerstone, plus interest thereon from the dates such expenditures were incurred at a rate per annum equal to LIBOR plus 2 per cent until such time as SolGold is fully reimbursed. Cornerstone is required to contribute its 15% of costs following completion of the feasibility study, subject to dilution for failure to do so (and if diluted below 10%, its interest will be automatically converted to a 0.5% NSR, which SolGold may purchase for US\$3.5 million), but the 15% interest carried through to completion of the feasibility study (the "Carried Interest") is only repayable as indicated above if there is an operation at Cascabel. Consequently, because there is uncertainty about the completion of a positive feasibility study no provision for a contingent liability for the repayment of the Carried Interest has been recorded in the Consolidated Statement of Financial Position.

On April 7, 2020, Cornerstone announced the results of the Alpala deposit updated Mineral Resource Estimate ("MRE#3"), as follows:

- 2,663 Mt @ 0.53% copper equivalent (CuEq)¹ (containing 9.9 Mt Cu, 21.7 Moz Au, and 92.2 Moz Ag) in the Measured plus Indicated categories, comprising:
 - 1,192 Mt at 0.72% CuEq in the Measured category (containing 5.7 Mt Cu, 15 Moz Au, and 52.4 Moz Ag); and
 - 1,470 Mt at 0.37 CuEq in the Indicated category (containing 4.2 Mt Cu, 6.6 Moz Au, and 39.8 Moz Ag).
- High-grade core of 442 Mt at 1.40% CuEq² in the Measured and Indicated categories, supporting early cash flows and accelerated pay back of initial capital, comprising:

¹ At a 0.21 CuEq cut-off grade. See April 7, 2020 news release, Appendix 1.1 in the Figures, and Table 1, note 2 for CuEq calculation, metal prices and conversion factors.

² At a 0.80 CuEq cut-off grade. See April 7, 2020 news release, Appendix 1.1 in the Figures.

- 359 Mt at 1.47% CuEq in the Measured category (containing 3.2 Mt Cu and 10.9 Moz Au); and
- 84 Mt at 1.06% CuEq in the Indicated category (containing 0.6 Mt Cu and 1.4 Moz Au).
- Additional Inferred Resource of 544 Mt @ 0.31% CuEq for 1.3 Mt Cu, 1.9 Moz Au and 10.6 Moz Ag.

See also Cornerstone news release 21-02 dated January 29, 2021: Amended NI 43-101 Technical Report on the Cascabel Property, Alpala Deposit, Northern Ecuador.

ALPALA DEPOSIT PRE-FEASIBILITY STUDY

On April 20, 2022, Cornerstone announced the results of the Alpala Pre-Feasibility Study. Highlights are as follows:

HIGHLIGHTS

- Estimated US\$5.2bn pre-tax Net Present Value (“NPV”) and 25.3% Internal Rate of Return (“IRR”)
- Estimated US\$2.9bn after-tax NPV, 19.3% IRR and 4.7 year payback period from start of processing^{3, 4, 5, 6}
- After-tax NPV would be US\$4.1bn (US\$7.9bn pre-tax) and IRR 23.4% (30.5% pre-tax) at current spot commodity prices⁷
- Estimated average production⁸ of 132ktpa of copper, 358kozpa of gold and 1Mozpa of silver – 212ktpa copper equivalent (“CuEq”)⁹ – with peak¹⁰ copper production of 210ktpa (391ktpa CuEq⁸)
- Initial project Life-of-Mine (“LOM”) All-In-Sustaining Cost (“AISC”) of US\$0.06/lb of copper, placing Cascabel well within the first decile of the copper industry cost curve

³ The PFS is subject to an accuracy range of $\pm 25\%$ in accordance with AACE class 4 estimates. The findings in the PFS and the implementation of the Cascabel project are subject to all the necessary approvals, permits, internal and regulatory requirements and further works. The estimates are indicative only and are subject to market and operating conditions. They should not be interpreted as guidance. The information contained herein is a summary only and is qualified in its entirety by reference to the Technical Report (as defined below).

⁴ 100% project basis.

⁵ Based on a discount rate of 8% (real).

⁶ Based on long-term commodity price assumptions of US\$3.60/lb for copper, US\$1,700/oz for gold and US\$19.9/oz for silver.

⁷ Spot prices on 4 April 2022 of US\$4.74/lb for copper, US\$1,933/oz for gold and US\$24.5/oz for silver.

⁸ Average based on years 4 – 22 at full nameplate capacity.

⁹ Assumptions for copper equivalent calculations as provided in Table 1 for commodity prices, grades and recoveries. Copper equivalent production (by-product basis) = Recovered Cu tonnes + (Au Price US\$/oz) / (Cu Price US\$/t) x (Recovered + doré gold ounces) + (Ag Price US\$/oz) / (Cu Price US\$/t) x (Recovered + doré silver ounces).

¹⁰ Peak production, free cash flow and EBITDA in year 5 from start of production.

- On achieving nameplate capacity, average of approximately 190ktpa of copper, 680kozpa of gold and 1.3Mozpa of silver (>330ktpa CuEq⁸) over initial 5 years at an average negative AISC of US\$(1.38)/lb
- Estimated pre-production capital expenditure of US\$2.7bn for the initial cave development, first process plant module and infrastructure
- Initial Mineral Reserve of 558Mt containing 3.3Mt Cu @ 0.58%, 9.4Moz Au @ 0.52g/t and 30Moz Ag @ 1.65g/t over an initial 26-year mine life
- Potential mine life upside in excess of 50 years following initial LOM¹¹
- Annual after-tax free cash flow (“FCF”) to average US\$740m^{5, 7}, peaking at over US\$1.6bn^{5, 9}
- Average annual EBITDA¹² of nearly US\$1.2bn^{5, 7}, peaking at over US\$2.4bn^{5, 9}
- Additional optimizations being progressed for a PFS Addendum planned for completion in H2 CY22
- Cascabel project Definitive Feasibility Study (“DFS”) planned for completion in H2 CY23

SUMMARY OF CASCABEL (ALPALA DEPOSIT) PFS RESULTS

Economic Evaluation

The PFS investigated multiple scenarios to identify an initial base case to take forward, with additional resources and upside to be investigated, supporting the next phase optimizations, and confirming the application of block cave mining to the Alpala underground resource.

Attractive initial cave project, potentially delivering:

- Initial 26-year operating life and 25Mtpa process plant throughput
- Total ore production of 558Mt, containing 3.3Mt Cu, 9.4Moz Au and 30Moz Ag
- Process plant producing 2.8Mt Cu, 7.6Moz Au and 21.7Moz Ag over the initial 26 year life of the project
- Average annual production in five years following initial cave ramp up of 190ktpa Cu, 680kozpa Au and 1.3Mozpa Ag
- Average annual production⁷ for initial cave of 132ktpa Cu, 358kozpa Au and 1.0Mozpa Ag
- AISC of US\$0.06/lb Cu over the initial 26 year mine project
- Estimated initial capital expenditure of US\$2.7bn for the initial cave development, first process plant module and infrastructure
- Payback of 4.7 years from start of operations
- After-tax NPV and IRR of US\$2.9bn and 19.3%, respectively

¹¹ As the Mineral Reserve represents only 21% of the M&I Resource tonnes SolGold believes there is potential further mine life upside in excess of 50 years.

¹² EBITDA is a Non IFRS Financial Measure and refers to Earnings Before Interest, Tax, Depreciation and Amortization.

An initial Mineral Reserve estimate for the Cascabel project of 558Mt, with 0.58% Cu, 0.52 g/t Au and 1.65 g/t Ag for 3.3Mt Cu, 9.4Moz Au and 30Moz Ag.

Exploration success and future potential with unexplored areas identified for future drilling and extension of additional reported resources.

The PFS underpins the Mineral Reserve estimate and further optimizations of the mine and process plant are expected to deliver additional value.

The availability of low-cost hydropower, on site water resources, the use of targeted underground mining, process plant configuration, the potential use of an electric mining fleet, concentrate transport via a pipeline are expected to deliver a lower carbon footprint compared to projects which do not have these benefits.

The Cascabel project DFS is planned for completion in H2 CY23, with additional optimizations including:

- Further investigations into process plant feed rates, including additional resources such as the Tandayama-América resource
- Capital cost reduction opportunities
- Alpala underground mine design optimization, mine sequence and scheduling, application of macro blocks
- Process plant design optimization, following additional test work
- Hydropower project development

Key PFS outcomes

- (100% project basis; US\$ million unless otherwise noted)

		Base Case	AET – 2¹³	Spot Prices⁶
Economic assumptions	Copper (US\$/lb)	3.60	4.20	4.74
	Gold (US\$/oz)	1,700	1,933	1,933
	Silver (US\$/oz)	19.9	24.5	24.5
	Government royalty rate	3% (base & precious metals)		
	Ecuador tax rates ¹⁴	15% profit share / 25% corporate		
Production	Throughput	25 Mtpa		
	Initial project LOM	26 years		
	Total ore mined	558 Mt		
	Average copper grade / recovery	0.58% / 87.1%		
	Average gold grade / recovery	0.52 g/t / 72.1%		
	Average silver grade / recovery	1.65 g/t / 65.7%		
	Total CuEq produced ⁸	4.5 Mt		
	Total copper produced	2.8 Mt		
	Total gold produced	7.6 Moz		
	Total silver produced	21.7 Moz		
	Annual CuEq production (peak/average) ^{7, 8, 9, 15}	391 kt / 212 kt		
	Annual copper production (peak/average) ^{7, 9, 14}	210 kt / 132 kt		
	Annual gold production (peak/average) ^{7, 9, 14}	829 koz / 358 koz		
	Annual silver production (peak/average) ^{7, 9, 14}	1.4 Moz / 1.0 Moz		
Capital	Pre-production	\$2,746		
	Post-production	\$2,136		
Operating	Average net cash cost (US\$/lb Cu)	(0.40)	(0.66)	(0.63)
	Average AISC (US\$/lb Cu)	0.06	(0.20)	(0.17)
Financials	Pre-tax NPV ^(8%)	\$5,241	\$6,915	\$7,862
	Pre-tax IRR	25.3%	28.8%	30.5%
	After-tax NPV ^(8%)	\$2,907	\$3,781	\$4,083
	After-tax IRR	19.3%	22.2%	23.4%
	Capital payback period	4.7 years	4.3 years	4.2 years
	Total FCF generation	\$14,413	\$16,080	\$16,278
	Average annual FCF	\$740	\$856	\$863
	Average annual FCF (first 5yrs post ramp-up)	\$1,345	\$1,575	\$1,699
	Total EBITDA	\$24,003	\$29,178	\$32,249
	Average annual EBITDA	\$1,156	\$1,396	\$1,540
	Average annual EBITDA (first 5yrs post ramp-up)	\$2,040	\$2,419	\$2,622

¹³ Wood Mackenzie Accelerated Energy Transition (2 degrees) long-term copper price forecast of US\$4.20/lb. Assuming spot price for gold and silver.

¹⁴ Profit share: 12% to state, 3% to employees. Corporate tax applied to EBT (Earnings Before Tax) after deduction of profit share.

¹⁵ Peak production in year 5 from start of production.

Tandayama-America

On October 19, 2021, the Company announced a Maiden Resource on its Tandayama-America (TAM) porphyry copper-gold mineralized target located 3km north of the Alpala Deposit at its Cascabel copper-gold porphyry joint venture project in northern Ecuador. (See New Release 21-18, October 19, 2021).

On December 2, 2021, and April 13, 2022 further details of drilling were released in News Release 21-22 and News Release 22-08.

Strategic Alliance with Ecuadorian State Mining Company ENAMI

On June 14, 2016, Cornerstone announced that CESA entered into an agreement with ENAMI, Ecuador's state mining company, creating a structure for ENAMI and CESA to prospect and explore for mineral projects in Ecuador using Cornerstone's proprietary geological data base (the “**ENAMI-CESA Strategic Alliance**”). The agreement replaced a letter of intent entered into between ENAMI and CESA and announced by Cornerstone on April 14, 2015. At the time the Company signed the letter of intent with ENAMI in 2015, the only way to gain access to new prospective ground in Ecuador was through ENAMI exercising its preferential right under the mining law. This situation changed in March 2016, as a result of the Government opening up vast areas of the country for concession applications. While the agreement is not an exclusive alliance and ENAMI is free to enter into similar arrangements with other companies, Cornerstone is the first, and, to the knowledge of Cornerstone, currently the only, non-state owned company to enter into such an exploration alliance with ENAMI.

On March 6, 2017, Cornerstone announced that on March 3, 2017 Ecuador's Ministry of Mining granted ENAMI eight concession titles in the Imbabura and Carchi provinces for exploration under the ENAMI-CESA Strategic Alliance. The eight concession titles total more than 37,182 hectares and are in the highly prospective Cascabel porphyry copper-gold district of northwest Ecuador, which hosts the Cascabel Project and the Llurimagua Project. On March 14, 2017, ENAMI was granted an additional concession called "Espejo 3", located approximately 10 kilometres east of the Cascabel concession in Carchi province and totaling 5,000 hectares, bringing the total number of concessions for exploration under the ENAMI-CSEA Strategic Alliance to nine.

In October 2018, Cornerstone completed an airborne magnetic and radiometric regional survey on its Espejo, Playa Rica and Rio Magdalena Blocks, which are currently under ENAMI-CESA Strategic Alliance.

The terms of the agreement with ENAMI were announced in a news release on June 14, 2016.

On February 27, 2020, Cornerstone announced that high potential porphyry Cu-Au-Mo targets had been discovered at the Espejo and Rio Magdalena projects within the ENAMI-CESA Strategic Alliance. Highlights of the work at the Espejo Block were reported as follows:

- Prospecting work and initial geological mapping completed
- Heliborne magnetic and radiometric survey (1560 lineKm) defines anomalies related to magnetic bodies, altered zones and structures
- 3410 samples collected to date
- Spectrometry work (Terraspec) defines alteration patterns typical of porphyry systems
- Three sizeable (more than 1 km²), high priority porphyry Cu-Mo (Au) targets defined

- Epithermal style Au-Ag mineralization locally associated to porphyries
- Several lower priority targets to be followed up
- Future work to focus on target areas: Detailed ground surveys and 3D magnetic modeling (underway), ground geophysics being planned, drilling targets to be defined
- Minimal work commitment over the first 4 years attained in less than 3 years

Update on the Espejo, Playa Rica and Rio Magdalena Concession Blocks

On March 4, 2021 Cornerstone announced an update on drill target definition at the Espejo block of concessions, including suspension of work at Playa Rica and Rio Magdalena due to anti-mining opposition in the case of Playa Rica and a pending decision in the Constitutional Court of Ecuador on a challenge filed by ENAMI to a lower court decision that purported to invalidate the “environmental registration” (*registro ambiental*) exploration permit granted by the Ministry of Environment (ME) for the Rio Magdalena block of concessions.

Detailed exploration work was carried out during Q3 on Espejo, including geological mapping, soil sampling (801 samples), outcrops and trenches rock chip sampling (351 samples). Results confirm the large size and high potential of the three Cu-Au-Mo porphyry targets previously identified and reported.

On December 2, 2021, the Company announced that it had received a decision by Ecuador’s Constitutional Court upholding a lower court ruling that invalidated the environmental registration granted by ME to ENAMI for the initial (prior to drilling) exploration phase in the “Los Cedros” Protected Forest (Bosque Protector) at the Rio Magdalena project that forms 3 of the 9 concessions within the Cornerstone - ENAMI EP Strategic Alliance. On January 3, 2022, the Company was notified of a final decision by Ecuador’s Constitutional Court dated December 21, 2021 in response to ENAMI’s December 6th petition for clarification of parts of the decision. The final decision of the Constitutional Court reaffirms the revocation of the environmental permit for the Rio Magdalena Project.

The Company has incurred expenditures in respect of the ENAMI-CESA Strategic Alliance totaling approximately CAD \$13,759,721 at December 31, 2021, all of which is exploration expenditures. Exploration work to date has consisted largely of geochemistry work (both soil and rock sample work), prospecting, and geological mapping.

Concession	2021 Expenditures	Expenditures to date
Espejo	\$2,142,854	\$6,664,928
Playa Rica	\$282,298	\$1,950,659
Rio Magdalena	\$1,232,399	\$5,144,134
Total	\$3,657,551	\$13,759,721

Other Exploration

Bramaderos - Copper/Gold - (Earn in agreement with Sunstone Metals)

On January 5, 2017, the Company’s subsidiary La Plata Minerales S.A. (“PLAMIN”) was awarded the “Bramaderos” concession, a porphyry Au-Cu property located in the “Macara” area in Loja Province.

On April 10, 2017 the Company announced it had entered into an earn-in agreement for Bramaderos with Avalon Minerals Inc., which subsequently changed its name to Sunstone Metals Inc. (“Sunstone”). Sunstone earned a 51% interest in the project by spending US\$3.4 million to complete a phase 1 drill program (see news release dated August 28, 2019). On January 7, 2020, Cornerstone and Sunstone announced that they had amended the terms of the farm-in arrangement to provide Cornerstone with a 12.5% interest carried by Sunstone through to the start of commercial production and repayable at Libor plus 2% out of 90% of Cornerstone's share of earnings or dividends from the Bramaderos project.

Approximately 2/3 of the Bramaderos concession surface area is subject to an underlying 2% NSR in favor of a third party (the "2% NSR "). A \$50,000 annual advance royalty is payable to the NSR holder on and after the first anniversary of the delivery of a Positive Feasibility Study (as defined in the underlying agreement). One-half of the 2% NSR may be purchased for \$3 million, leaving the holder of the NSR with a 1% NSR.

On March 14, 2019 Cornerstone announced the approval of its environmental impact assessment (“EIA”) report by the Ministry of Environment. On April 8, 2019 Cornerstone announced the issuance of an environmental license which, together with the SENAGUA water permit, allows Cornerstone to drill Bramaderos during the 4-year advanced exploration stage of the project that began in January 2019 and beyond into the economic evaluation phase of the project.

On November 18, 2021, the Company announced that drilling intersected 111m at 2.3g/t gold, including 7.2m at 26.9g/t gold at new “Alba” gold target at Bramaderos.

Assay results for hole BMDD012 include:

	From (m)	To (m)	Interval (m)	Gold (g/t)
	93.0	204.0	111.0	2.35
<i>includes</i>	106.8	136.0	29.2	7.68
<i>includes</i>	116.8	134.0	17.2	12.45
<i>includes</i>	124.8	132.0	7.2	26.88

It is highly encouraging that the mineralization was intersected at a relatively shallow depth of ~65m from surface and remains open up and down dip and along strike.

Follow-up drilling will initially involve testing the depth extent of the intersection in BMDD012 and will then test the lateral extent. At this stage, it is thought that the gold system trends NE-SW.

The high gold zone is currently interpreted as a ‘later’ gold-rich event over a broad and deeper gold-copper porphyry mineralized system. The high-grade core to this zone contains visible gold.

Further drilling and exploration results have been outlined in Cornerstone News Releases dated January 20, 2022, March 7, 2022 and March 17, 2022. A maiden resource for the Bramaderos project is expected to be completed by Sunstone Metals Inc. by end of 2022.

Concession	2021 Expenditures	Expenditures to date
Bramaderos	\$Nil	\$5,235,360

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

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. In December 2017, the Company retained a local community relations coordinator 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. The coordinator has been active since then, mapping stakeholdings, meeting with local authorities and leaders and presenting the Company and the project. The Company began the EIA base line study in June 2018 and temporarily suspended the work in August 2018 to allow for further community engagement. Activities were slowed down, however, due to the March 2019 provincial and municipal elections held in Azuay Province where Shyri NW is located, in order to not allow the project to become the focus of anti-mining politicians during the electoral campaigns. An anti-mining Prefect (Governor) was elected in Azuay, as a result of which activities under the EIA are expected to be delayed further and only slowly ramped up again if possible in 2022 (see also the section on Ecuador under “Risks and Uncertainties” below).

Concession	2021 Expenditures	Expenditures to date
Shyri NW	\$43,531	\$1,063,979

Exploration work to date has consisted largely of geochemistry work (both soil and rock sample work), ground geophysics, prospecting, geological mapping and trenching to prepare the property for its first drill program.

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

On April 22, 2019, Cornerstone announced that it and its Ecuadorian subsidiary Cañabrava Mining S.A. had signed a binding farm-in Letter Agreement with Newcrest International Pty Limited (“Newcrest”), a subsidiary of Newcrest Mining Limited (ASX: NCM) for Cornerstone’s Caña Brava and Tioloma properties in Ecuador (the “Project”), targeting epithermal gold-silver and porphyry gold-copper deposits in south central Ecuador.

On January 25, 2022, after incurring exploration expenditures of approximately US\$2.9 million on Caña Brava and Tioloma (in excess of their US\$2 million minimum committed expenditure) Newcrest notified the Company that it would be withdrawing from the option and farm-in Agreement. We were told the withdrawal was as a result of delays related to obtaining a water permit and surface landowner consents over drilling target locations (only 2/3 of which had been obtained at time of termination), and Newcrest needed to prioritize other projects where they can get drilling started sooner.

Teams from both companies are liaising to wind down activities at the Project until Cornerstone can secure another funding partner. Newcrest continues its involvement at Cornerstone’s Miocene gold project in Chile where drilling is ongoing.

On February 26, 2015, the Company announced results from prospecting and geological mapping surveys carried out during 2014 on Caña Brava. 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.

An EIA was begun in July 2018, including an environmental base line study and consultation process. Base line study field work has been completed. Due to an approximately 2-year backlog in the review of EIAs for advanced stage exploration at the Ministry of Environment, Cornerstone and Newcrest decided to suspend work on the EIA and pursue an environmental registration for “scout (exploratory) drilling” under the regulations issued by the Ministry of Environment for this purpose in March 2019 (i.e., Ministerial Accord 020). Scout drilling would allow up to 30 drill platforms during the initial exploration phase of an exploration project. In April 2019 the Ministry published the Application Form to obtain an environmental registration the obtainment of which is a condition to benefit from the scout drilling program. The environmental registration was granted on January 3, 2020. An application for a water use permit is ongoing. Permitting is progressing and the Company anticipates drilling Cana Brava in Q4 this year, and Tioloma sometime next year depending on surface exploration results.

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 semi-annual 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 resulting in limited exploration activities by the Company at Caña Brava, at which time the option payments resumed again. The above option payments will be assumed or reimbursed by Newcrest as long as it holds an option under the farm-in Letter Agreement described above.

Concession	2021 Expenditures	Expenditures to date
Cana Brava	\$1,510,734	\$2,781,870
Total	\$1,510,734	\$2,781,870

Exploration work to date has consisted largely of geochemistry work (both soil and rock sample work), ground geophysics, prospecting, geological mapping and trenching to prepare the property for its first drill program. The environmental permits for scout drilling were granted in January 2020 for the Caña Brava concession and in August 2021 for the Tioloma concession. Water permits are still pending for both concessions.

Exploration work was delayed in 2020 due to the Covid-19 pandemic and some local opposition to mining activities. Most of the activities on the project focused on social engagement and sanitary support to communities and workers.

Exploration was reactivated in 2021 both at Caña Brava and on the adjacent earlier stage Tioloma concession (see below). 3D magnetic modeling of previous ground magnetic survey was carried out to better define drill targets.

On January 20, 2022, a small group of inhabitants of the Gualiel parish in the area near the two concessions filed an action (*acción de protección*) in a court of first instance in the City of Loja against the Ministry of Environment seeking to invalidate the environmental registration (i.e., early stage environmental exploration permits) granted to Cornerstone’s subsidiary Caña Brava Mining S.A. and two other companies with nearby concessions in the area on the grounds that these permits violated their constitutional “rights of nature” (i.e., to clean water and a clean environment) and seeking an injunction for the companies to cease activities. The Ministry of Environment defended the action, Caña Brava Mining S.A. and the other companies were allowed to intervene as interested parties in the proceedings, and over 50 friend of the court briefs were filed by local residents and stakeholders, and by the Solicitor General of Ecuador. After an oral hearing on March 4, 2022, the first instance judge dismissed the action, holding that the permits were validly issued and that the exploration activities did not infringe on the plaintiff/applicant’s constitutional rights. The Company expects the plaintiffs/applicants to appeal the decision to the Regional Court once the first instance court’s written decision has been published, and if that occurs the Company will defend its interests as respondent in any such appeal. Neither Caña Brava nor Tioloma are located within a protected forest, and the Company retains the overwhelming support of local residents and stakeholders.

Bella Maria – Gold (100% Cornerstone)

Bella Maria borders the NE boundaries of Lumina Gold’s Greater Cangrejos concession (Cangrejos has an Indicated mineral resource of 568 million tonnes of 0.73 g/t AuEq, with 10.4 Moz and 1.4 Blbs Cu).

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. Seven mineralized prospects have been identified and a Phase 1 drilling program designed.

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.

Concession	2021 Expenditures	Expenditures to date
Bella Maria	\$488,195	\$1,145,417

Exploration work to date has consisted largely of geochemistry work (stream sediment, soil and rock sample work), prospecting and geological mapping to prepare the property for its first drill program.

In January 2020 the Company was awarded an Environmental Registration (*Registro Ambiental*) and its corresponding Environmental Management Plan (*Plan de Manejo Ambiental*) for Bella Maria. Subject to funding, the Company will apply for a scout drilling application for Bella Maria later this year.

See news release dated September 17, 2020 re the planned exploration program at Bella Maria.

Exploration work was carried out on Bella Maria in 2021, including detailed geological mapping, geochemical sampling (241 rock and 216 soil samples collected during the year) and a partial ground magnetic survey. Data is being integrated within a 3D model to define drill targets to be tested in 2022. This property has never been drilled.

Tioloma – Gold (100% Cornerstone)

Cornerstone acquired the Tioloma property in March 2017 for strategic purposes; the property wraps around three sides of the Caña Brava property, thereby enlarging, and effectively creating a protective area of interest around, the Caña Brava property. Approximately two months of limited prospecting work was completed on the Tioloma property, the results of which were not as prospective as expected. Given the principally strategic impetus to acquire the Tioloma property and the limited exploration results to date, Cornerstone does not intend to conduct further exploration work at Tioloma at this time. Cornerstone has not allocated any of its own funds for exploration expenditures at the Tioloma property.

The mining title has been transferred from the original owner, La Plata Minerales S.A. to Cañabrava Mining S.A. As detailed in the Caña Brava section, Newcrest has withdrawn from the project.

Concession	2021 Expenditures	Expenditures to date
Tioloma	\$478,715	\$888,834

Exploration work was postponed at Tioloma due to the Covid-19 pandemic but was re-started during 2021 Q3, when systematic soil sampling and reconnaissance geological mapping was begun. Caña Brava Mining S.A. has applied to reduce the overall footprint of Tioloma to abandon areas considered to be less prospective. A ground magnetic survey to define drill targets will be carried out in future once Cornerstone secures another funding partner for the project.

Miocene – Gold - (Chile – 100% Cornerstone)

The Miocene property lies adjacent to Mirasol Resources Ltd.’s (“Mirasol”) Titan project. Cornerstone’s concessions are located on an extension of the mineralized trend of the Titan Project and shares the same geology and surface indicators as the Titan project.

Concession	2021 Expenditures	Expenditures to date
Miocene	\$89,488	\$1,971,032

Exploration work to date has consisted largely of geochemistry work (both soil and rock sample work), prospecting and geological mapping to prepare the property for its first drill program.

On December 10, 2018 Cornerstone announced that it and its Chilean subsidiary Minera Cornerstone Chile Ltda. had signed an option and farm-in agreement (the “Agreement”) with Newcrest International Pty Limited (“Newcrest”), a subsidiary of Newcrest Mining Limited (ASX: NCM) for Cornerstone’s Miocene properties in Chile (the “Project”), targeting epithermal gold-silver and porphyry gold-copper deposits along the interpreted northern extension of the Maricunga magmatic belt that hosts several world-class gold deposits.

During the austral summer season Newcrest carried out geological mapping (scale 1:10,000), CSAMT resistivity tests, rock chip sampling, spectrometry and petrography work on the Miocene project.

On November 17, 2021, the Company announced that Newcrest would begin a reverse circulation drill program at Miocene in January 2022.

Highlights:

- Two sizeable (8 by 1.5km) prospective target areas defined
- Three individual drill targets outlined at the Cerros Bayos target area
- Base camp established in the vicinity of the Project area
- Newcrest has retained Major Drilling who will be mobilizing a drill rig to site
- Drilling of the first hole MIO0001 expected to begin in January
Results of the first hole will determine the location of subsequent holes (3 holes are planned initially)

Newcrest has completed the initial 3-hole drill program and is analyzing the results, following which it will inform the Company of its plans and the Company will update the market on Miocene.

HIGHLIGHTS OF THE FARM-IN ARRANGEMENT WITH NEWCREST (all \$ are US\$):

- Newcrest has the option to earn up to a 75% interest in the Project in stages, as follows:
 - 18-month initial option period: making an up-front payment to Cornerstone of \$100,000 (paid), and spending a minimum of \$1.1 million (committed);
 - Stage 1 (4 years): paying \$500,000 to Cornerstone and spending a further \$8 million (with a minimum of \$500,000 in each year to maintain the option) to earn a **51%** interest in the Project (such interest to be held through shares in a newly incorporated Chilean company); On December 29, 2020, Newcrest elected to exercise its option to advance to stage 1 under this agreement, and made the US\$ 500,000 payment to Cornerstone related to this stage.
 - Stage 2 (2 years): paying \$650,000 to Cornerstone and completing a positive Preliminary Economic Assessment in accordance with NI 43-101 on any target area in the Project, to increase its interest in the Project to **65%** (Newcrest may extend Stage 2 to 3 years by paying Cornerstone \$250,000); and
 - Stage 3 (2 years): incurring expenditures of \$100 million or completing a bankable feasibility study (BFS), whichever occurs first, to increase its interest in the Project to **75%** (Newcrest may extend Stage 3 by up to an additional 2 years by paying \$500,000 to Cornerstone for each 1 year extension).

- If Newcrest earns a 75% interest, Cornerstone will have the option for 90 days to convert 5% (1/5th) of its 25% project equity into a 1% net smelter returns (NSR) royalty. Newcrest will have the right to buy down the royalty to 0.5% NSR at fair market value after delivery of the BFS.
- Cornerstone's carried interest ends at the end of Stage 3 or sooner if Newcrest fails to complete any Stage after completing Stage 1 or if Newcrest elects not to proceed with Stage 2 or 3, following which Cornerstone will be required to contribute or suffer dilution of its participating interest according to a formula. If Newcrest completes Stage 1 and elects not to proceed to Stage 2, it will revert to a 49% non-controlling interest.
- Cornerstone's carried interest is not repayable out of project cash flows or otherwise.
- Newcrest will receive a 10% management fee (out of its own funding under the Agreement) during the 18-month initial option period and a 5% fee during Stages 1, 2 and 3.

On April 28, 2022, Newcrest reported the following in its quarterly exploration report: (See Cornerstone News Release 22-11).

“Drilling was conducted across Newcrest's Chilean exploration project portfolio with 2,216m drilling completed during the quarter at Mioceno (Option and Farm-in Agreement with Cornerstone Capital Resources Inc. Complete assays were received, with no significant results and interpretation of the data is ongoing.”

Future Expenditure Requirements

In order to keep the Company's concessions in Ecuador and Chile in good standing, the Company was required to pay concession fees totaling, from April 1, 2020 to March 31, 2021, approximately US\$121,000. These fees were paid in March 2021.

For the next 12 months, the Company has the following spending commitments on its projects:

- US\$206,000 on concession fees (discussed above – fees for Miocene & Caña Brava projects, totalling US\$68, will be reimbursed by Newcrest and fees for the Bramaderos project to be fully assumed by Sunstone Metals), next due in March 2022;
- US\$80,000 cash option payments in respect of the Caña Brava project (including US\$5,600 to be reimbursed by Newcrest); and
- US\$50,000 as an advance royalty payable to the original owner of the Shyri NW (Vetas Grandes) concession, due in June 2022.

The foregoing commitments are being funded through the Company's working capital.

Vetas Grandes permitting could take longer due to it being located in Azuay Province where there is considerable anti-mining sentiment. All permitting costs are being funded from Cornerstone's working capital.

Expenditures at Bramaderos are funded by Sunstone pursuant to the earn-in agreement between Cornerstone and Sunstone. Sunstone is now the operator of Bramaderos (having earned its initial 51% interest in August 2019 and later having increased that to an 87.5% interest in January 2020).

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., La Plata Minerales S.A., Cañabrava Mining S.A., Vetasgrandes Mining S.A., Bellamaria Mining S.A., Gestión-Minera GEMINSA S.A. (a wholly owned service company providing services to the other subsidiaries) and Minera Cornerstone Chile Limitada, and a Qualified Person in accordance with NI 43-101.

Investor Relations Activities

The Company continues to work at broadening its investor base through the 121 Mining Americas Virtual Events, and on-going investor communications through news releases and regular targeted updates.

Risks and Uncertainties

The Company's principal activity is mineral exploration and development. Companies in this industry are subject to many kinds of risks, including, but not limited to, operational, technical, environmental, labour, social, political, security, financial, economic, and metals pricing. Additionally, often due to factors that cannot be predicted or foreseen, few exploration projects successfully achieve development. While risk management cannot eliminate the impact of all potential risks, the Company strives to manage risks to the extent possible and practicable.

The risks and uncertainties described in this section are considered by management to be the most important in the context of the Company's business. The risks and uncertainties below are not listed in order of importance, nor are they inclusive of all the risks and uncertainties the Company may be subject to, and therefore other risks may apply.

COVID-19

The Company's operations could be significantly adversely affected by the effects of a widespread global outbreak of COVID-19. The Company cannot accurately predict the impact COVID-19 will have on its operations and the ability of others to meet their obligations with the Company, including uncertainties relating to the continued geographic spread of the virus, the severity of the disease, the duration of the outbreak, and the length of travel and quarantine restrictions imposed by governments of affected countries. In addition, a significant outbreak of contagious diseases in the human population could result in a widespread health crisis that could adversely affect the economies and financial markets of many countries, resulting in an economic downturn that could further affect the Company's operations and ability to finance its operations.

The Speculative Nature of the Exploration of Natural Resource Properties

The exploration for and development of mineral deposits involves significant risks which even a combination of careful evaluation, experience and knowledge may not eliminate or even mitigate. While the discovery of a mineral bearing structure may result in an increase in value for shareholders, few properties which are explored are ultimately developed into producing mines. The property interests

owned by the Company are in the exploration stage only, are without known bodies of commercial mineralization and the Company has no ongoing production at any of them. There is no assurance that any of the concessions the Company explores or acquires will contain commercially exploitable reserves of minerals. Exploration for natural resources is a speculative venture involving substantial risk. Hazards such as unusual or unexpected geological formations, formation pressures, fires, power outages, labour disruptions, flooding, cave-ins, landslides and the inability of the Company to obtain suitable machinery, equipment or labour are all risks involved with the conduct of exploration programs and the operation of mines.

Early Stage Status and Nature of Exploration

Reserve and resource estimates are expressions of judgment based on knowledge, experience and industry practice. Estimates which were valid when originally calculated may alter significantly when new information or techniques become available. In addition, by their very nature, resource estimates are imprecise and depend to some extent on interpretations, which may prove to be inaccurate. Except for Cascabel, in respect of which an updated measured and indicated mineral resource estimate (MRE #3) was announced on April 7, 2020 (see above), the terms “Resource(s)” or “Reserve(s)” cannot be used to describe any of the properties in which the Company holds an interest (the “Other Properties”), due to the early stage of exploration at this time. Any reference to potential quantities and/or grade in respect of the Other Properties is conceptual in nature, as there has been insufficient exploration to define any mineral resource and it is uncertain if further exploration will result in the determination of any mineral resource. Quantities and/or grade described in any of the Company’s public disclosures should not be interpreted as assurances of a potential resource or reserve or of potential future mine life or of the profitability of future operations.

Few properties that are explored are ultimately developed into producing mines. Substantial expenditures are required to establish ore reserves through drilling, to develop metallurgical processes to extract the metal from the ore and, in the case of new properties, to develop the mining and processing facilities and infrastructure at any site chosen for mining. The economics of exploring and developing mineral properties is affected by many factors, including the cost of operations, variations in the grade of ore mined, fluctuations in metal markets, costs of mining and processing equipment and such other factors as government regulations, including regulations relating to royalties, allowable production, importing and exporting of minerals and environmental protection.

No assurance can be given that any particular level of recovery of minerals will be realized or that any potential quantities and/or grade will ever qualify as a resource, or that any such resource will ever qualify as a commercially mineable (or viable) deposit which can be legally and economically exploited. Where expenditures on a property have not led to the discovery of mineral reserves, incurred expenditures will generally not be recoverable.

Dependence on Exploration Stage Projects

The only material property interest of the Company is its interest in the Cascabel project. As a result, any adverse developments affecting the Cascabel project could have a material adverse effect upon the Company and would materially and adversely affect the potential mineral resource production, profitability, financial performance and results of operations of the Company. While the Company may seek to acquire additional mineral properties that are consistent with its business objectives, there can be no assurance that the Company will be able to identify suitable additional mineral properties or, if it does

identify suitable properties, that it will have sufficient financial resources to acquire such properties or that such properties will be available on terms acceptable to the Company or at all.

Strategic Alliances

The Company operates some of its properties through strategic alliances. The Company is therefore subject to the typical risks associated with such alliances, including disagreement on how to develop, operate or finance the project and contractual and legal remedies of the Company's partners in the event of such disagreements.

Lack of Funding to Satisfy Contractual Obligations

The Company may, in the future, be unable to meet its share of costs incurred under agreements to which it is a party and the Company may have its property interests subject to such agreements reduced as a result or even face termination of such agreements. The Company has an agreement with SolGold with respect to the Cascabel project. Pursuant to the agreement, SolGold will finance the Company's 15% interest in the project to completion of a feasibility study on SolGold's schedule and budget. Cornerstone's intention is to monetize its interest in Cascabel, but if it is unable to do so on acceptable terms prior to completion of the feasibility study, then it intends to finance its 15% of Cascabel expenditures following completion of such feasibility study, which would be US\$150 million for each US\$1 billion of capital cost in the event of a positive feasibility study leading to a production decision. 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 would be converted to a 0.5% net smelter return ("NSR"). In the unlikely event Cornerstone were to dilute to a 0.5% NSR, SolGold would have the right to buy out this 0.5% NSR and other royalties on Cascabel for payments of US\$7.5 million (US\$3.5 million to buy out the Company's 0.5% NSR and US\$4 million to buy out an underlying 2% NSR to a third party). SolGold may recover the Company's financed costs to completion of the feasibility study at Libor plus 2% from 90% of the Company's share of dividends or earnings from the Cascabel project.

Insurance and Uninsured Risks

Mineral exploration involves risks, which, even with a combination of experience, knowledge and careful evaluation, mining exploration companies may not be able to overcome. Operations in which the Company has a direct or indirect interest may be subject to all the hazards and risks normally incidental to exploration of precious and non-precious metals, any of which could result in work stoppages, damage to property and possible environmental damage. The Company presently has very limited commercial liability insurance and does not intend to increase its liability insurance. As a result of having limited liability insurance, the Company could incur significant costs that may have a materially adverse effect upon its financial condition and even cause the Company to cease operations.

Environmental Risks and Hazards

All phases of the Company's operations are subject to environmental regulation in the jurisdictions in which it operates. These regulations mandate, among other things, the maintenance of air and water quality standards and land reclamation. They also set forth limitations on the generation, transportation, storage and disposal of solid and hazardous waste. Environmental legislation is evolving in a manner which will require stricter standards and enforcement, increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects and a heightened degree of responsibility for companies and their officers, directors and employees. There is no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental

hazards may exist on the properties in which the Company holds an interest which are unknown to the Company at present and which have been caused by previous or existing owners or operators of the properties. No assurance can be given that potential environmental liabilities caused by past activities at the properties in which the Company holds an interest do not exist. In addition, some laws and regulations in Ecuador relating to protection of the environment may, in certain circumstances, impose strict liability for environmental contamination, which could result in liability for environmental damages and cleanup costs without regard to negligence or fault on the Company's part. The Company cannot give any assurances that breaches of environmental laws (whether inadvertent or not) or environmental pollution will not materially and adversely affect its financial condition. There is no assurance that any future changes to environmental regulation, if any, will not adversely affect the Company.

Costs of Land Reclamation Risk

It is difficult to determine the exact amounts which will be required to complete all land reclamation activities in connection with the properties in which the Company holds an interest. Reclamation bonds and other forms of financial assurance represent only a portion of the total amount of money that will be spent on reclamation activities over the life of a mine. Accordingly, it may be necessary to revise planned expenditures and operating plans in order to fund reclamation activities. Such costs may have a material adverse impact upon the financial condition and results of operations of the Company.

Land Title

Although the Company has sought and received such representations as it has been able to achieve from vendors in connection with the acquisition of, or options to acquire, an interest in its mining properties and surface rights, and has conducted limited investigations of legal title to each such property, in accordance with industry standards for the current stage of exploration of such properties, the properties in which the Company has an interest may be subject to prior unregistered agreements or transfers or native land claims, or it is possible that title may be affected by undetected defects.

Loss of Land Access

Land access is critical for exploration and evaluation to succeed. In all cases the acquisition of prospective property interests is a competitive business, in which proprietary knowledge or information is critical and the ability to negotiate satisfactory commercial arrangements with other parties is often essential. Access to land for exploration purposes can be affected by land ownership, including private (freehold) land, pastoral lease and native title land or indigenous claims. Immediate access to land in the areas of activities cannot in all cases be guaranteed. The Company may be required to seek consent of land holders or other persons or groups with an interest in real property encompassed by, or adjacent to, the Company's concessions.

Compensation may be required to be paid by the Company to land holders so that the Company may carry out exploration and/or mining activities. Where applicable, agreements with indigenous groups have to be in place before a property interest can be granted. Rights to property interests carry with them various obligations in regard to minimum expenditure levels and responsibilities in respect of the environment and safety. Failure to observe these requirements could prejudice the right to maintain title to a given area.

Infrastructure

Mining, processing, development and exploration activities depend, to one degree or another, on adequate infrastructure. Reliable roads, bridges, power sources and water supply are important

determinants, which affect capital and operating costs. Unusual or infrequent weather phenomena, sabotage, government or other interference in the maintenance or provision of such infrastructure could adversely affect the Company's operations, financial condition and results of operations.

Competition

The Company competes with other exploration companies which have greater financial resources and technical facilities for the acquisition of mineral concessions, claims, leases and other mineral interests as well as for the recruitment and retention of qualified employees. The Company's ability to locate and increase resources and reserves in the future will depend not only on its ability to explore and develop its present properties, but also on its ability to select, acquire and develop suitable properties or prospects. As a result of this competition, the Company may be unable to maintain or acquire attractive mining properties on terms it considers acceptable or at all. Consequently, the Company's revenues, operations and financial condition could be materially adversely affected.

Additional Capital

The development and exploration of the properties in which the Company holds an interest will require substantial additional financing. Failure to obtain sufficient financing may result in the delay or indefinite postponement of exploration, development or production on any or all of the properties in which the Company holds an interest or even a loss of property interest. The Company has no sources of funding other than financing arrangements with other mining and exploration companies and equity financing. 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. There can be no assurance that additional capital or other types of financing will be available if needed or that, if available, the terms of such financing will be favourable to the Company.

Commodity Prices

The Company's revenues, if any, are expected to be almost entirely derived from the mining and sale of gold, copper and other metals. The prices of those commodities have fluctuated widely, particularly in recent years, and are affected by numerous factors beyond the Company's control, including: international economic and political trends; expectations of inflation; currency exchange fluctuations; interest rates; consumption patterns; speculative activities; and increased production due to new mine developments and improved mining and production methods. The effect of these factors on the price of gold and copper, as well as other precious and base metals, and, therefore, on the economic viability of any of the Company's mining properties, cannot be accurately predicted, but nonetheless may adversely impact the Company's ability to raise capital and conduct its operations.

Factors Beyond the Control of Cornerstone

The potential profitability of mineral properties is dependent upon many factors beyond the Company's control. For instance, world prices of and markets for minerals are unpredictable, highly volatile, potentially subject to governmental fixing, pegging and/or controls and respond to changes in domestic, international, political, social and economic environments. Another factor is that rates of recovery of minerals from mined ore (assuming that such mineral deposits are known to exist) may vary from the rate experienced in tests and a reduction in the recovery rate will adversely affect profitability and, possibly, the economic viability of a property. Profitability also depends on the costs of operations, including costs of labour, equipment, electricity, environmental compliance or other production inputs. Such costs will fluctuate in ways the Company cannot predict and are beyond the Company's control,

and such fluctuations will impact on profitability and may eliminate profitability altogether. Additionally, due to worldwide economic uncertainty, the availability and cost of funds for development and other costs have become increasingly difficult, if not impossible, to project. These changes and events may materially affect the financial performance of the Company.

Government Regulation

The mineral exploration activities (as well as the potential for eventual mining, processing and development activities) which the Company undertakes are subject to extensive laws and regulations governing prospecting, exploration, development, production, taxes, labour standards and occupational health, mine safety, toxic substances, land use, waste disposal, water use, land claims of local people, protection of historic and archaeological sites, mine development, protection of endangered and protected species and other matters. Government approvals, approval of aboriginal people and permits are currently, and may in the future be, required in connection with the Company's operations. To the extent such approvals are required and not obtained, the Company may be curtailed or prohibited from continuing its exploration or mining operations or from proceeding with planned exploration or development of mineral properties. Failure to comply with applicable laws, regulations and permitting requirements may result in enforcement actions thereunder, including orders issued by regulatory or judicial authorities causing operations to cease or be curtailed, and may include corrective measures requiring capital expenditures, installation of additional equipment, or remedial actions. Parties engaged in mining operations or in the exploration or development of mineral properties may be required to compensate those suffering loss or damage by reason of the mining activities and may have civil or criminal fines or penalties imposed for violations of applicable laws or regulations. The Company's mineral exploration and mining activities in the countries in which it operates may be adversely affected in varying degrees by changing government regulations relating to the mining industry or shifts in political conditions that increase royalties payable or the costs related to the Company's activities or maintaining its properties. Operations may also be affected in varying degrees by government regulations with respect to restrictions on production, price controls, government-imposed royalties, claim fees, export controls, income taxes, and expropriation of property, environmental legislation and mine safety. The effect of these factors cannot be accurately predicted. Although the Company's mining activities are currently carried out in accordance with all applicable rules and regulations, no assurance can be given that new rules and regulations will not be enacted or that existing rules and regulations will not be applied in a manner which could limit or curtail such activities.

Required Permits and Licences

The Company's operations require licenses and permits from various governmental authorities, which licenses and permits are subject to change in various circumstances. There can be no guarantee that the Company will be able to obtain or maintain all necessary licenses and permits as are required to explore and develop its properties, commence construction or operation of mining facilities and properties under exploration or development or to maintain continued operations that economically justify the cost.

Foreign Operations Risk

The properties in which the Company holds an interest are located in less stable jurisdictions. As such, the Company's operations are exposed to various levels of political, economic and other risks and uncertainties. These risks and uncertainties vary from country to country and include, but are not limited to: terrorism; hostage taking; military repression; fluctuations in currency exchange rates; high rates of inflation; labour unrest; the risks of war or civil unrest; expropriation and nationalization; renegotiation or nullification of existing concessions, licenses, permits and contracts; illegal mining; changes in

taxation policies; and changing political conditions and governmental regulations, including changing environmental legislation. Changes, if any, in mining or investment policies or shifts in political attitudes in the jurisdictions in which the Company holds property interests or assets may adversely affect its operations or profitability. Operations may be affected in varying degrees by government regulations with respect to restrictions on production, price controls, export controls, income taxes, expropriation of property, environmental legislation and mine safety. Failure to comply strictly with applicable laws, regulations and local practices relating to mineral right applications and tenure could result in loss, reduction or expropriation of entitlements or the imposition of additional local or foreign parties as partners with carried or other interests. There can be no assurance that industries which are deemed of national or strategic importance in the countries in which the Company has operations or assets, including mineral exploration, production and development, will not be nationalized. The risk exists that further government limitations, restrictions or requirements, not presently foreseen, will be implemented. Changes in policy that alter laws regulating the mining industry could have a material adverse effect on the Company. There can be no assurance that the Company's assets in these countries will not be subject to nationalization, requisition or confiscation, whether legitimate or not, by an authority or body.

In addition, in the event of a dispute arising from foreign operations, the Company may be subject to the exclusive jurisdiction of foreign courts or may not be successful in subjecting foreign persons to the jurisdiction of courts in Canada. The Company also may be hindered or prevented from enforcing its rights with respect to a governmental instrumentality because of the doctrine of sovereign immunity. It is not possible for the Company to accurately predict such developments or changes in laws or policy or the extent to which any such developments or changes may have a material adverse effect on the Company's operations.

Ecuador

Ecuador regulations have broad authority to shut down and/or levy fines against facilities that do not comply with regulations or standards. The properties in Ecuador in which the Company holds an interest may be exposed to potentially adverse risks associated with the evolving rules and laws governing mining expansion and development in that jurisdiction. Additionally, the Company's operations may be detrimentally affected in the event that the Ecuadorean government were to default on its foreign debt obligations or become subject to wider global economic and investment uncertainty, including but not limited to uncertainty caused by COVID-19. Except for the COVID-19 issue (see above), the Company is not aware of any current material changes in legislative, regulatory and public policy initiatives in Ecuador that would adversely affect its operations there, however any future or proposed changes may adversely affect the properties in Ecuador in which the Company has or will have an interest. Under the current legislative regime, a mining company and the Government of Ecuador must enter into an exploitation (mine development) contract prior to exploitation (mining and processing) of natural resources. There is no certainty that the Company or its partners will be able to successfully enter into an exploitation contract, or enter into one on commercially favourable terms, and such a scenario may adversely impact on the properties in Ecuador in which the Company has an interest or render them uneconomical.

Tax Regime in Ecuador

Tax regimes in Ecuador may be subject to differing interpretations and are subject to change without notice. The Company's interpretation of tax law as applied to its transactions and activities may not coincide with that of the tax authorities. As a result, the taxation applicable to transactions and operations may be challenged or revised by the tax authorities, which could result in significant additional taxes,

penalties and/or interest. Given the complexity of the tax calculations and sovereign adjustment, there is a risk that the currently expected taxation regime will not be applied or that different tax authorities will not agree with the calculations which may negatively impact the Company and the economic feasibility of its mineral projects in Ecuador. There is a risk that restrictions on the repatriation of earnings from Ecuador to foreign entities will be imposed in the future and the Company has no control over withholding tax rates. In addition, there is a risk that certain laws and regulations in Ecuador may result in a capital gains tax on profits derived from the sale of shares, ownership interests and other rights, such as exploration rights, of companies with permanent establishments in the country. The impact of these laws and regulations on the Company or its shareholders has not yet been determined.

Enforcement of Civil Liabilities

Substantially all of the Company's assets are located outside of Canada. As a result, it may be difficult or impossible to enforce judgments granted by a court in Canada against the assets of the Company.

Sale of Cornerstone Shares

Sales of a large number of the Cornerstone shares or the potential for such sales over time could cause the trading price of Cornerstone shares to decline significantly and could impair the Company's ability to raise capital through future sales of shares.

Key Executives

The Company is dependent on the services of key executives, including its directors and a small number of highly skilled and experienced executives and personnel. The Company strongly depends on the business and technical expertise of its management and key personnel. Due to the relatively small size of the Company, the loss of any of these individuals or the Company's inability to attract and retain additional highly skilled employees may adversely affect its business and future operations.

Conflicts of Interest

Certain of the directors of the Company may also serve as directors or officers, or have significant shareholdings in, other companies involved in the metals industry and, to the extent that such other companies may participate in ventures in which the Company may participate in, or in ventures which the Company may seek to participate in, the directors and officers of the Company may have a conflict of interest in negotiating and concluding terms respecting the extent of such participation. In all cases where directors and officers have an interest in other companies, such other companies may also compete with us for the acquisition of metals, royalties, streams or other investments. Such conflicts of the Company directors may result in a material adverse effect on the Company's profitability, results of operation and financial condition.

Selected Annual Financial Information

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

At December 31,	2021	2020	2019
Net Comprehensive income (loss)	(12,948,944)	80,579,057	(71,738,833)
Net loss	(6,773,074)	(6,568,050)	(7,283,326)
Operating loss	(2,550,031)	(2,556,942)	(4,345,442)
Exploration and evaluation expense	4,223,043	4,011,108	2,937,884
Loss per share - basic and diluted	(0.19)	(0.20)	(0.23)

Summary of Quarterly Results

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

	December 31, 2021 \$	September 30, 2021 \$	June 30, 2021 \$	March 31, 2021 \$
Net loss	(1,313,647)	(2,253,251)	(1,506,144)	(1,700,032)
Other comprehensive income (loss)	1,949,074	(4,714,230)	19,642,625	(25,928,265)
Loss per share - basic and diluted	(0.04)	(0.06)	(0.04)	(0.05)
	December 31, 2020 \$	September 30, 2020 \$	June 30, 2020 \$	March 31, 2020 \$
Net loss	(1,507,987)	(2,004,165)	(1,413,353)	(1,642,545)
Other comprehensive income (loss)	66,968,165	19,642,625	3,507,873	(2,521,556)
Loss per share - basic and diluted	(0.05)	(0.06)	(0.04)	(0.05)

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 a majority of independent, non-executive directors who meet periodically with management and auditors to review financial reporting and internal control matters.

Future Accounting Changes

Certain pronouncements were issued by the IASB or the IFRIC that are mandatory for accounting periods commencing on or after January 1, 2021. Many are not applicable or do not have a significant impact to the Company and have been excluded. The following have not yet been adopted and are being evaluated to determine their impact on the Company.

IFRS 10 – Consolidated Financial Statements (“IFRS 10”) and IAS 28 – Investments in Associates and Joint Ventures (“IAS 28”) were amended in September 2014 to address a conflict between the requirements of IAS 28 and IFRS 10 and clarify that in a transaction involving an associate or joint venture, the extent of gain or loss recognition depends on whether the assets sold or contributed constitute a business. The effective date of these amendments is yet to be determined, however early adoption is permitted.

IAS 1 – Presentation of Financial Statements (“IAS 1”) was amended in January 2020 to provide a more general approach to the classification of liabilities under IAS 1 based on the contractual arrangements in place at the reporting date. The amendments clarify that the classification of liabilities as current or noncurrent is based solely on a company's right to defer settlement at the reporting date. The right needs to be unconditional and must have substance. The amendments also clarify that the transfer of a company's own equity instruments is regarded as settlement of a liability, unless it results from the exercise of a conversion option meeting the definition of an equity instrument. The amendments are effective for annual periods beginning on January 1, 2023.

IAS 37 – Provisions, Contingent Liabilities, and Contingent Assets (“IAS 37”) was amended. The amendments clarify that when assessing if a contract is onerous, the cost of fulfilling the contract includes all costs that relate directly to the contract – i.e. a full-cost approach. Such costs include both the incremental costs of the contract (i.e. costs a company would avoid if it did not have the contract) and an allocation of other direct costs incurred on activities required to fulfill the contract – e.g. contract management and supervision, or depreciation of equipment used in fulfilling the contract. The amendments are effective for annual periods beginning on January 1, 2022.

IFRS 3 – Business Combinations (“IFRS 3”) was amended. The amendments introduce new exceptions to the recognition and measurement principles in IFRS 3 to ensure that the update in references to the revised conceptual framework does not change which assets and liabilities qualify for recognition in a business combination. An acquirer should apply the definition of a liability in IAS 37 – rather than the definition in the Conceptual Framework – to determine whether a present obligation exists at the acquisition date as a result of past events. For a levy in the scope of IFRIC 21, the acquirer should apply the criteria in IFRIC 21 to determine whether the obligating event that gives rise to a liability to pay the levy has occurred by the acquisition date. In addition, the amendments clarify that the acquirer should not recognize a contingent asset at the acquisition date. The amendments are effective for annual periods beginning on January 1, 2022.

IAS 16 – Property, Plant and Equipment (“IAS 16”) was amended. The amendments introduce new guidance, such that the proceeds from selling items before the related property, plant and equipment is available for its intended use can no longer be deducted from the cost. Instead, such proceeds are to be recognized in profit or loss, together with the costs of producing those items. The amendments are effective for annual periods beginning on January 1, 2022.

Contingencies

The Company has no significant contingencies other than which are disclosed under note 15 of the Company’s December 31, 2021 consolidated financial statements.

Subsequent Events

Options Granted

On March 29, 2022, 275,000 options were granted to directors of the Company. These options have an exercise price of \$4.50 per option and have an expiry date of March 29, 2027. As per the Company’s Stock Option Plan, these options vest in three equal tranches over an eighteen-month period from the date of issue.

Newcrest

On January 25, 2022 Newcrest International Pty Limited, a subsidiary of Newcrest Mining Limited, notified Cornerstone that it intends to withdraw from the option and farm-in Agreement for the Caña Brava and Tioloma properties in Ecuador.

COVID-19

As more fully discussed in **Risks and Uncertainties**, the Company's operations could be adversely affected by the effects of a widespread global outbreak of a contagious disease, including the outbreak of respiratory illness caused by COVID-19.

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 Stock Exchange under the stock symbol GWN1.

Financial Statements and press releases issued by the Company, including those issued during the quarter ended December 31, 2021, and other information concerning the Company are archived at the Company website www.cornerstoneresources.com. Regulatory filings are also available through www.sedar.com.