

Cornerstone Capital Resources Inc

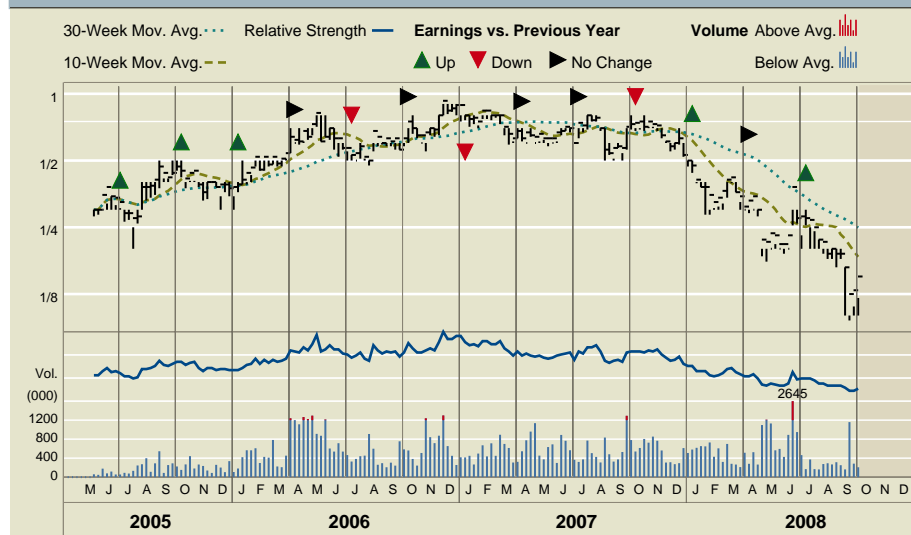
GICS Sector Materials
Sub-Industry Gold

Summary This company acquires and explores mineral properties in Canada and Ecuador

Key Stock Statistics (Source S&P, company reports, Vickers)

Price as of Sep 26, 2008	C\$0.15	Dividend Rate/Share	Nil	C\$10K Invested 5 Yrs Ago	NA	Total Shares Outstg. (M)	74.8
52-Wk Range	C\$0.80-0.10	Trailing 12-Month P/E	NM	Beta	NA	Market Capitalization(B)	C\$0.011
Trailing 12-Month EPS	C\$-0.07	Tangible Book Val/Share	C\$0.19	Yield (%)	Nil		

Price Performance



Quantitative Evaluations

S&P Quality Ranking	NR
S&P Fair Value Rank	NR
Fair Value Calculation	NA
Volatility	NA
Technical Evaluation	NA
Relative Strength Rank	WEAK
23	
LOWEST = 1	HIGHEST = 99

S&P Financial Writer **Joseph Cowan**

Operational Review September 24, 2008

Income Statement Analysis & Financial Review

The company currently has no revenue derived from mineral operations.

Investment & other income for the six months ended June 30, 2008 were C\$124,088 vs. C\$114,024 in the prior year, growing 9% year over year. Total expenses were C\$1.6 million, as opposed to C\$1.8 million in 2007, decreasing 9%. For the first two quarters of the fiscal year, net loss was C\$1.5 million (C\$0.02 a share), vs. a loss of C\$1.7 million (C\$0.03 a share) in 2007.

In the second quarter, investment & other income were C\$42,431 vs. C\$49,682 in the prior year, dropping 16% year to year. Total expenses were C\$0.8 million, as opposed to C\$1.2 million for the same period in 2007, falling 30%. Net loss was C\$0.8 million (C\$0.01 a share), vs. a loss C\$1.2 (C\$0.02 a share) in the second quarter of 2007.

Key Operating Information

At January 1, 2008, exploration properties held by the company totaled 7,739 claims. During the first six months of 2008, a number of property claims were dropped and additional claims were staked and acquired, leaving Cornerstone with a total of 10,146 claims in Canada and 31 concessions in Ecuador at the end of June 2008.

Total capitalized expenditures on mineral properties as at June 30, 2008 were C\$9,905,508 compared to C\$6,944,666 at June 30, 2007 and C\$7,968,640 at December 31, 2007. Net mineral property expenditures of C\$1,827,271 were incurred during the six month period ending June 30, 2008 compared to C\$966,935 during the same period in 2007.

Recent Developments

On June 10, 2008, the company completed a non-brokered private placement financing consisting of 15,000,000 units. Each unit was priced at C\$0.20 per unit and consisted of one common share and one share purchase warrant entitling the holder to purchase one additional common share at a price of C\$0.26 for two years following the closing.

On June 30, 2008, Phelps Dodge Corporation of Canada, Limited advised the company that it is withdrawing from the Dorchester, New Brunswick project. The company has decided to continue exploration of this project on their own.

Revenue/Earnings Data

Revenue (Million Can. \$)	1Q	2Q	3Q	4Q	Year
2008	Nil	Nil	--	--	--
2007	Nil	Nil	Nil	Nil	Nil
2006	Nil	Nil	Nil	Nil	Nil
2005	Nil	Nil	Nil	Nil	Nil
2004	Nil	Nil	Nil	Nil	Nil
2003	Nil	Nil	Nil	Nil	Nil

Earnings Per Share (Can. \$)	1Q	2Q	3Q	4Q	Year
2008	-0.01	-0.01	--	--	--
2007	-0.01	-0.02	-0.03	-0.02	-0.08
2006	-0.01	-0.02	-0.01	-0.03	-0.07
2005	-0.01	-0.01	-0.01	-0.02	-0.06
2004	-0.02	-0.03	-0.03	-0.07	-0.07
2003	-0.02	-0.01	Nil	-0.01	-0.05

Fiscal year ended Dec. 31. Next earnings report expected: NA

Dividend Data

No cash dividends have been paid.

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Cornerstone Capital Resources Inc**Business Summary** September 24, 2008

Cornerstone Capital Resources, Inc. (CGP), through its wholly-owned subsidiaries, engages in the evaluation, acquisition and exploration of mineral properties in Canada and Ecuador. The company intends to develop the properties as joint ventures, bring them into production, option or lease properties to third parties, or sell the properties outright.

The company, as of June 30, 2008, has been issued 106 licenses by the Government of Newfoundland and Labrador which consist of 8,198 mineral exploration claims covering various areas of Newfoundland and Labrador. The Government of New Brunswick has issued 12 licenses to the company which covers 1,948 claims in New Brunswick. The company also holds 31 mineral exploration claims in Ecuador.

On February 12, 2008, the company signed a definitive Earn-in Joint Venture option agreement with Newmont Ventures Limited (Newmont), a subsidiary of Newmont Mining Corporation, with respect to the formation of a regional exploration alliance to explore for gold in southern Ecuador. The alliance will cover an area of approximately 1800 km² in Southern Ecuador. The company will operate the initial phase of the program. The first year budget of approximately US\$1,000,000 will be funded by the company out of the private placement proceeds. Under the alliance agreement, Newmont may elect, at its discretion, to exercise its right to earn an undivided 51% participating interest in the property within the area of interest by spending US\$3,000,000 on exploration over 4 years. Newmont may earn an additional 12.5% interest by solely funding a positive feasibility study and earn a further 11.5% by arranging mine financing. On April 18, 2008, the Government of Ecuador placed a moratorium on all exploration and mineral development activities in the country for up to 180 days while it finalizes its new mining law. The outcome of this new law is uncertain, and the company has had to reduce operations in Ecuador to a minimum.

On March 11, 2008, Celtic Minerals Ltd. gave notice that it would not be continuing with the March 24, 2006 joint venture agreement on the company's Garland nickel property in Labrador. The company is seeking a new joint venture partner for this project.

On June 11, 2008, the company signed a joint venture agreement with Altius Resources Inc. to explore primarily for Sediment-hosted Stratiform Copper (SSC) deposits in the Labrador Trough of western Labrador and southeastern Quebec. The 50-50 Joint Venture will cover 51 mineral exploration licenses totaling 1032 km² in the province of Newfoundland and Labrador. Both companies contributed their respective mineral land holdings and have conjointly staked additional claims. Both companies will contribute equally to fund exploration programs. The first year program includes an airborne magnetics and radiometrics survey and a two month field program. The company is the project operator. The companies are soliciting expressions of interest from major mining companies as prospective joint venture partners to undertake exploration on this property.

Cornerstone Capital Resources, Inc. was founded in 1997.

Corporate Information**Investor Contact**

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Officers

Chrmn
G. Mckay

CFO & Secy
D.R. Loveys

Pres & CEO
C. McKenzie

Vice Chrmn
J. Fleming

Board Members

W. J. Clarke
J. Fleming
D. R. Loveys
C. McKenzie
G. Mckay
I. Slater
D. J. Worth

Domicile
Alberta

Founded
1999

Employees
25

Stockholders
1,310

Cornerstone Capital Resources Inc

Key Stock Statistics

Price as of Sep 26, 2008	C\$0.15	Dividend Rate/Share	Nil	C\$10K Invested 5 Yrs Ago	NA	Total Shares Outstg. (M)	74.8
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Trailing 12-Month EPS	C\$-0.07	Tangible Book Val/Share	C\$0.19	Yield (%)	Nil		

Key Growth Rates and Averages

Past Growth Rate (%)	1 Year	3 Years	5 Years	9 Years
Sales	NM	Nil	Nil	NA
Net Income	NM	NM	NM	NA
Ratio Analysis (Annual Avg.)				
% LT Debt to Capitalization	Nil	Nil	Nil	NA
Return on Equity (%)	NM	NM	NM	NA

Expanded Ratio Analysis

	2007	2006	2005	2004
Price/Sales	NM	NM	NM	Nil
Price/EBITDA	NM	NM	NM	Nil
Price/Pretax Income	NM	NM	NM	Nil
P/E Ratio	NM	NM	NM	Nil
Avg. Diluted Shares Outstg (M)	51.9	43.4	27.9	20.8

Figures based on calendar year-end price

Company Financials Fiscal Year Ended Dec. 31

Per Share Data (Can. \$)	2007	2006	2005	2004	2003	2002	2001	2000	1999	1998
Tangible Book Value	0.20	0.23	0.20	0.22	0.10	0.21	0.01	NA	NA	NA
Cash Flow	-0.08	-0.07	-0.06	-0.07	-0.05	-0.03	-0.02	NA	NA	NA
Earnings	-0.08	-0.07	-0.06	-0.07	-0.05	-0.03	-0.02	NA	NA	NA
Dividends	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	NA
Payout Ratio	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	NA
Prices:High	0.89	0.99	0.55	0.69	0.95	NA	NA	NA	NA	NA
Prices:Low	0.47	0.36	0.25	0.19	0.30	NA	NA	NA	NA	NA
P/E Ratio:High	NM	NM	NM	NM	NM	NM	NM	NA	NA	NA
P/E Ratio:Low	NM	NM	NM	NM	NM	NM	NM	NA	NA	NA

Income Statement Analysis (Million Can. \$)

Revenue	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	NA
Operating Income	-4.50	-3.90	-1.88	-2.07	-1.00	-0.43	-0.21	NA	NA	NA
Depreciation	0.11	0.03	0.02	0.02	0.10	0.01	0.04	NA	NA	NA
Interest Expense	Nil	0.01	Nil	Nil	Nil	Nil	Nil	NA	NA	NA
Pretax Income	-4.31	-3.71	-1.84	-1.96	-0.90	-0.37	-0.20	NA	NA	NA
Effective Tax Rate	NM	NM	NM	NM	NM	NM	NM	NA	NA	NA
Net Income	-4.31	-3.25	-1.69	-1.47	-0.60	-0.28	-0.14	NA	NA	NA

Balance Sheet & Other Financial Data (Million Can. \$)

Cash	3.97	6.50	1.62	0.68	3.22	0.65	0.82	NA	NA	NA
Current Assets	4.90	8.41	2.10	1.75	4.00	1.00	1.30	NA	NA	NA
Total Assets	13.4	14.5	7.41	5.49	6.54	2.93	2.69	NA	NA	NA
Current Liabilities	1.20	1.47	0.31	0.47	0.32	0.16	0.41	NA	NA	NA
Long Term Debt	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	NA
Common Equity	11.3	11.5	6.72	4.62	5.87	2.32	1.93	NA	NA	NA
Total Capital	11.3	11.5	6.72	4.77	5.90	2.30	1.93	NA	NA	NA
Capital Expenditures	4.19	0.16	2.24	1.44	0.17	0.10	0.01	NA	NA	NA
Cash Flow	-4.20	-3.22	-1.66	-1.46	-0.50	-0.27	-0.10	NA	NA	NA
Current Ratio	4.1	5.7	6.7	3.7	12.3	6.5	3.1	NA	NA	NA
% Long Term Debt of Capitalization	Nil	Nil	Nil	Nil	Nil	Nil	Nil	NA	NA	NA
% Net Income of Revenue	NM	NM	NM	NM	NM	NM	NM	NA	NA	NA
% Return on Assets	NM	NM	NM	NM	NM	NM	NM	NA	NA	NA
% Return on Equity	NM	NM	NM	NM	NM	NM	NM	NA	NA	NA

Data as orig reptd.; bef. results of disc opers/spec. items. Per share data adj. for stk. divs.; EPS diluted. E-Estimated. NA-Not Available. NM-Not Meaningful. NR-Not Ranked. UR-Under Review.

Cornerstone Capital Resources Inc

Sub-Industry Outlook

Our fundamental outlook for the gold sub-industry for 2009 is positive. Based on our expectation for a further rise in the gold price in 2009, we look for another increase in sales and earnings for this group even though production volumes for the companies we cover are likely to be unchanged or even down for the second consecutive year.

While the price of gold has been rising steadily since 2001 and reached the highest average level in 2008 since 1980, we believe that the price will rise again in 2009, for several reasons.

First, we believe that U.S. GDP growth will be 0.9% in 2009, versus estimated GDP growth of 1.8% in 2008. We believe it is unlikely that the Federal Reserve will raise short-term interest rates given continued slow GDP growth together with the difficult conditions in the U.S. financial sector. In our view, low short-term interest rates reduce the opportunity cost of holding gold as an investment and should allow gold to rise even if other commodities decline in response to slower economic growth.

Second, despite the higher gold price, global production has been stagnant for the past 10 years. The low level of gold prices in the late 1990s led to a drop in exploration and large new discoveries. According to data compiled by Gold Fields Minerals Service, a U.K.-based metals consulting firm and publisher, global output increased at a 0.8% compound annual growth rate (CAGR) from 1997 through 2006, while consumption rose at a CAGR of 1.5%. We believe that production will remain stagnant for the balance of the decade, as old mines are becoming depleted and are not being replaced to the extent needed to lift output. This, combined with rising demand, should cause the chronic gap between production and consumption of gold to

widen further, in our view, helping to lift the gold price.

Third, we believe that greater volatility of the major world currencies will likely increase the demand for gold as a monetary reserve asset. Also, we believe that the U.S. dollar is in a secular bear market. Moreover, we believe that China and other countries that hold a large portion of their foreign exchange reserves in the U.S. dollar will ultimately diversify out of the dollar and into other currencies and gold.

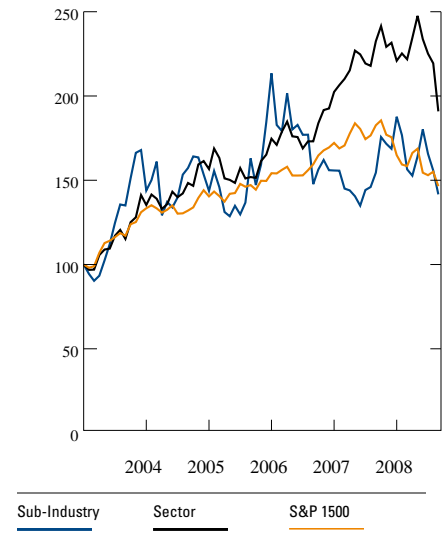
Year to date through September 12, the S&P Gold Index fell 18.8%, versus a 13.8% drop in the S&P 1500 Stock Index, a 9.3% decrease in the S&P 500 Materials Index, and an 8.7% decline in spot gold. In 2007, the sub-industry index rose 8.2%, versus a 3.6% gain for the S&P 1500, a 20.3% increase in the S&P 500 Materials Index, and a 31.6% rise in spot gold.

--Leo Larkin

Stock Performance

GICS Sector: Materials
Sub-Industry: Gold

Based on S&P 1500 Indexes
Month-end Price Performance as of 08/29/08



NOTE: All Sector & Sub-Industry information is based on the Global Industry Classification Standard (GICS)

Sub-Industry : Gold Peer Group*: Based on market capitalizations within GICS Sub-Industry

Peer Group	Stock Symbol	Stk.Mkt. Cap. (Mil. \$)	Recent Stock Price(\$)	52 Week High/Low(\$)	Beta	Yield (%)	P/E Ratio	Fair Value Calc.(\$)	Quality Ranking	S&P IQ %ile	Return on Revenue (%)	LTD to Cap (%)
Cornerstone Cap Resources	CGP.C	11	0.15	0.80/0.10	NA	Nil	NM	NA	NR	NA	NM	NA
African Gold Grp	AGG.C	13	0.41	1.25/0.36	NA	Nil	NM	NA	NR	NA	NM	NA
Ascot Resources	AOT.C	13	0.25	2.63/0.21	NA	Nil	NM	NA	NR	NA	NM	NA
Banro Corp Writ	BAA.WS	11	2.00	4.00/0.45	NA	Nil	NM	NA	NR	NA	NA	NA
Ecometals Ltd	EMLC	12	0.05	0.47/0.05	NA	Nil	NM	NA	NR	NA	NM	2.2
Gilla Inc	GLLA	11	0.40	1.35/0.37	-1.28	Nil	NM	NA	NR	NA	NA	6.4
Golden Goose Resources	GGOSF	10	0.00	0.77/0.20	NA	Nil	NM	NA	NR	NA	NM	NA
Linux Gold	LNKGF	8	0.10	0.34/0.06	1.92	Nil	NM	NA	NR	NA	NM	NA
Magnus Intl Resources	MGNU	14	0.25	0.58/0.11	0.08	Nil	NM	NA	NR	NA	NM	NA
Moydow Mines	MOY.C	9	0.15	0.31/0.14	NA	Nil	NM	NA	NR	NA	NM	NA
Philex Gold	PGI.C	10	0.26	0.85/0.20	NA	Nil	NM	NA	NR	NA	419.9	4567.9
Royal Standard Minerals	RYSMF	12	0.14	0.70/0.09	2.67	Nil	NM	NA	NR	54	NM	NA
Sanu Resources	SNU.C	14	0.35	1.55/0.31	NA	Nil	NM	NA	NR	NA	NA	NA
TVI Pacific Inc	TVI.C	10	0.03	0.15/0.03	NA	Nil	NM	NA	NR	NA	NA	NA
X-Cal Resources	XCLC	10	0.07	0.26/0.04	NA	Nil	NM	NA	NR	NA	NM	NA

NA-Not Available NM-Not Meaningful NR-Not Rated. *For Peer Groups with more than 15 companies or stocks, selection of issues is based on market capitalization.

Cornerstone Capital Resources Inc

S&P Analyst Research Notes and other Company News

July 14, 2008

Cornerstone Capital Resources Inc. announced that Mr. Mike Basha is resigning his position with the company but will remain available to consult to Cornerstone on a limited part-time basis. His resignation as Executive Vice President of the company is effective July 14, 2008.

April 4, 2008

Cornerstone Capital Resources Inc. appointed P Colin McKenzie as President & CEO, replacing Glen McKay. Glen McKay has been elected Chairman. John Fleming, the outgoing Chairman, has been elected Vice Chairman. Colin McKenzie has been a Cornerstone Director since February 2005. He becomes President & CEO of Cornerstone following several years as Vice President Exploration for Skye Resources and a career involving more than 25 years experience in major exploration projects and business development in Newfoundland & Labrador, other regions of Canada and internationally. All appointments are effective April 15, 2008.

February 5, 2008

Cornerstone Capital Resources Inc. announced the resignation of John C. Crosbie, P.C., O.C., Q.C. from its board of directors.

January 28, 2008

Cornerstone Capital Resources Inc. announced the appointment of Terry Brace as Vice President Exploration, replacing Mike Basha who will take on the role of Executive Vice President, in which he will continue to provide the company with strategic direction on new project development and related corporate initiatives. Terry Brace is joining the company following several years with Aur Resources, latterly Teck Cominco, where as the Senior Exploration Geologist he directed the exploration programs at the Duck Pond Mine in central Newfoundland.

August 30, 2007

Cornerstone Capital Resources Inc. reported earnings results for the second quarter and six months ended June, 30, 2007. For the second quarter, the company reported net loss of CAD 1,163,968 or CAD 0.02 per basic and diluted share on the revenue of CAD 49,682 compared with the net loss of CAD 831,660 or CAD 0.02 per basic and diluted share on the revenue of CAD 21,055 for the same period a year ago. For the six months, the company reported net loss of CAD 1,676,119 or CAD 0.03 per basic and diluted share on the revenue of CAD 114,024 compared with the net loss of CAD 1,258,066 or CAD 0.03 per basic and diluted share on the revenue of CAD 56,632 for the same period a year ago.

Cornerstone Capital Resources Inc

Glossary

Quantitative Evaluations

In contrast to our qualitative STARS recommendations, which are assigned by S&P analysts, the quantitative evaluations described below are derived from proprietary arithmetic models. These computer-driven evaluations may at times contradict an analyst's qualitative assessment of a stock. One primary reason for this is that different measures are used to determine each. For instance, when designating STARS, S&P analysts assess many factors that cannot be reflected in a model, such as risks and opportunities, management changes, recent competitive shifts, patent expiration, litigation risk, etc.

S&P Quality Ranking

Growth and stability of earnings and dividends are deemed key elements in establishing S&P's Quality Rankings for common stocks, which are designed to encapsulate the nature of this record in a single symbol. It should be noted, however, that the process also takes into consideration certain adjustments and modifications deemed desirable in establishing such rankings. The final score for each stock is measured against a scoring matrix determined by analysis of the scores of a large and representative sample of stocks. The range of scores in the array of this sample has been aligned with the following ladder of rankings:

A+ Highest	B Below Average
A High	B- Lower
A- Above Average	C Lowest
B+ Average	D In Reorganization
NR Not Ranked	

S&P Fair Value Rank

Using S&P's exclusive proprietary quantitative model, stocks are ranked in one of five groups, ranging from Group 5, listing the most undervalued stocks, to Group 1, the most overvalued issues. Group 5 stocks are expected to generally outperform all others. A positive (+) or negative (-) Timing Index is placed next to the Fair Value ranking to further aid the selection process. A stock with a (+) added to the Fair Value Rank simply means that this stock has a somewhat better chance to outperform other stocks with the same Fair Value Rank. A stock with a (-) has a somewhat lesser chance to outperform other stocks with the same Fair Value Rank. The Fair Value rankings imply the following:

- 5-Stock is significantly undervalued
- 4-Stock is moderately undervalued
- 3-Stock is fairly valued
- 2-Stock is modestly overvalued
- 1-Stock is significantly overvalued

S&P Fair Value Calculation

The price at which a stock should trade at, according to S&P's proprietary quantitative model that incorporates both actual and estimated variables (as opposed to only actual variables in the case of S&P Quality Ranking). Relying heavily on a company's actual return on equity, the S&P Fair Value model places a value on a security based on placing a formula-derived price-to-book multiple on a company's consensus earnings per share estimate.

Insider Activity

Gives an insight as to insider sentiment by showing whether directors, officers and key employees who have proprietary information not available to the general public, are buying or selling the company's stock during the most recent six months.

Funds From Operations (FFO)

FFO is Funds from Operations and equal to a REIT's net income, excluding gains or losses from sales of property, plus real estate depreciation.

Volatility

Rates the volatility of the stock's price over the past year.

Technical Evaluation

In researching the past market history of prices and trading volume for each company, S&P's computer models apply special technical methods and formulas to identify and project price trends for the stock.

Relative Strength Rank

Shows, on a scale of 1 to 99, how the stock has performed versus all other companies in S&P's universe on a rolling 13-week basis.

Global Industry Classification Standard (GICS)

An industry classification standard, developed by Standard & Poor's in collaboration with Morgan Stanley Capital International (MSCI). GICS is currently comprised of 10 Sectors, 24 Industry Groups, 67 Industries, and 147 Sub-Industries.

Exchange Type

ASE - American Stock Exchange; NNM - Nasdaq National Market; NSC - Nasdaq SmallCap; NYSE - New York Stock Exchange; BB - OTC Bulletin Board; OT - Over-the-Counter; TO - Toronto Stock Exchange.

Dividends on American Depositary Receipts (ADRs) and American Depositary Shares (ADSs) are net of taxes (paid in the country of origin).