



This Supplemental News Report is published as required, is part of the annual MERGENT INDUSTRIAL and INTERNATIONAL Manuals and will be included in the bound December 2017 Monthly News Reports and is published on our Website.

CORNERSTONE METALS INC

Company Website: www.cornerstonemetals.ca

History: Incorporated on June 23, 2006 in Canada as Appleton Exploration Inc. Present name adopted on June 1, 2012.

On Aug. 22, 2013, Co. acquired all of the issued and outstanding shares of CO USA. The acquisition included an undivided 100% interest in Lone Mountain located in New Mexico and 100% interest in West Jerome located in Arizona.

Business Summary: Cornerstone Metals is engaged in the business of acquisition, exploration and evaluation of mineral properties, and either joint venturing or developing these properties further or disposing of them when the evaluation is completed. The recoverability of amounts shown as mineral properties is dependent upon the conversion of mineral resources to economically recoverable reserves, Co.'s ability to obtain financing to develop the properties, and the ultimate realization of profits through future production or sale of the properties.

Property: Co. maintains its head office in Vancouver, British Columbia. Co. has an interest in a property located in Arizona, USA.

Co. has an option to earn a 100% interest in the Carlin Vanadium Project. The Carlin Vanadium Project is located in Elko County 22km by road (14 miles) from the town of Carlin, Nevada, and is comprised of 72 contiguous unpatented mineral claims totaling 461 hectares (1,140 acres).

Co. also owns 100% (subject to 1.5% NSR) of the West Jerome property, near Jerome, Arizona, on the west side of Freeport McMoRan patented lands. The property, in a Volcanogenic Massive Sulfide camp, is a high-grade, massive sulfide target located 2.4 km south of the past-producing United Verde (32 million tons grading 4.4% copper, 1.5 oz/t silver and 0.04 oz/t gold).

Subsidiaries

Appleton Nevada Exploration, Inc. (United States)
 Appleton Chile Exploration Limitada (Chile)
 Copper One USA Inc. (United States)

Officers

Paul S. Cowley, P.Geo., President; Chief Executive Officer
 Rebecca Moriarty, CA, Chief Financial Officer; Corporate Secretary
 Thomas R. Kilbey, Vice President - Exploration

Directors

John Anderson, Director
 Paul S. Cowley, P.Geo., Director
 Jason A. Nickel, P.Eng., Director
 Frederick J. Sveinson, P.Eng., Director
 Radomir Vukcevic, Ph.D., Director

Auditors: Charlton & Company

Shareholder Relations: Stewart Chalmers, H4C Group Inc.'s
 CEO Tel: 818-681-3588

No. of Stockholders: Dec. 13, 2017, 300, approx. held through brokers

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Email: info@cornerstonemetals.ca

Consolidated Income Statement, Years Ended Nov. 30		610	675
(Can\$):			
	2016	2015	2014
		(revised)	(revised)
other receivables		610	675
Marketable securities		1,360	1,530
Prepaid expenses		...	1,087
Total current assets	162,126	284,285	284,285
Reclamation bonds	9,000	9,000	9,000
Mineral properties	90,126	70,204	70,204
Total assets	261,252	363,489	363,489
Liabilities:			
Accounts payable & accrued liabilities	50,814	59,935	59,935
Total current liabilities	50,814	59,935	59,935
Common shares	6,389,039	6,389,039	6,389,039
Share capital	6,389,039	6,389,039	6,389,039
Contributed surplus	1,154,464	1,114,718	1,114,718
Accumulated other comprehensive income (loss)	(850)	(680)	(680)
Retained earnings (deficit)	(7,332,215)	(7,199,523)	(7,199,523)
Total shareholders' equity	210,438	303,554	303,554
Total liabilities & shareholders' equity	261,252	363,489	363,489

□ Reclassified to conform with 2016 presentation

Auditor's Report:

The following is an excerpt from the Report of the Independent Auditors, Charlton & Company, as it appeared in Co.'s 2016 Annual Report:

Opinion

In our opinion, these consolidated financial statements present fairly, in all material respects, the consolidated financial position of Cornerstone Metals Inc. as at November 30, 2016 and 2015, and its consolidated financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.

Emphasis of Matters

Without qualifying our opinion, we draw attention to Note 1 in the consolidated financial statements which indicates that the Company has incurred losses to date. This condition, along with other matters set forth in the note indicates the existence of a material uncertainty that may cast significant doubt about the Company's ability to continue as a going concern."

Capital Stock: 1. Cornerstone Metals Inc common; no par.

OUTSTANDING—Nov. 30, 2016, 22,883,194 shs; no par. WARRANTS—6,475,000 shs.

STOCK SPLITS—No par shares reverse split 1-for-5 on June 1, 2012; reverse split 1-for-2 on Sept. 22, 2017.

OPTIONS—Nov. 30, 2016, outstanding, 1,870,000.

PRIMARY EXCHANGE—Venture Exchange (TVX): CCC.

SECONDARY EXCHANGES—National Bulletin Board (NBB): APPP F.

PRIVATE PLACEMENTS—(6,250,000 units) at C\$0.02 per unit privately placed on April 9, 2015 for gross proceeds of C\$125,000. Each unit consisted of one common share and one transferable share purchase warrant.

(7,857,284 units) at C\$0.14 per unit privately placed on Oct. 18, 2017 for gross proceeds of C\$1,100,020. Each unit will comprise of one share and one warrant.

□ Reclassified to conform with 2016 presentation; □ Reclassified to conform with 2015 presentation; □ Adjusted for 1-for-2 stock split, September 22, 2017; □ Shares increased due to the effect of shares issued for cash pursuant to private placement, share issuance costs - finders' units; □ 44 registered, greater than 200 held through brokers

Consolidated Balance Sheet, Years Ended Nov. 30 (Can\$):

	2016	2015	2014
		(revised)	(revised)
Assets:			
Cash	160,156	280,993	280,993
Goods & service tax receivable recoverable &			

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