TECHNICAL REPORT
AND
RESOURCE ESTIMATE UPDATE
ON THE
LITTLE DEER COPPER DEPOSIT
NEWFOUNDLAND, CANADA

Latitude 49° 32'08 North
Longitude 56° 06'07 West

For

THUNDERMIN RESOURCES INC.
AND
CORNERSTONE RESOURCES INC.

by

P&E Mining Consultants Inc.
Suite 202 - 2 County Court Blvd
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NI-43-101F1
TECHNICAL REPORT No. 219

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Effective Date: July 4, 2011
Signing Date: August 5, 2011
The effective date of this report is July 4, 2011

[SIGNED AND SEALED]
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Date of Signature: August 5, 2011

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Dr. Wayne Ewert, P.Geo
Date of Signature: August 5, 2011
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1.0 SUMMARY

The following report was prepared to provide a National Instrument 43-101 (“NI 43-101”) compliant Technical Report and Resource Estimate of the copper mineralization contained in the Little Deer copper deposit, located north of the town of Springdale, Newfoundland, Canada. The Little Deer Deposit is subject to a Joint Venture arrangement between Thundermin and Cornerstone (50/50 basis with Thundermin as the operator).

This report was prepared by P&E Mining Consultants Inc. (“P&E”) at the joint request of Mr. John Heslop, President and CEO of Thundermin Resources Inc. (“Thundermin”), a Toronto-based resource company and Mr. Brooke Macdonald, President of Cornerstone Resources Inc. (“Cornerstone”), a Newfoundland-based resource company.

The Little Deer property comprises 4 mineral licenses containing a total of 276 staked claims covering a total area of approximately 6,530 hectares (“ha”) (the “Property”). The Thundermin and Cornerstone Joint Venture have a 100% interest in license 12196M and an option to earn a 100% interest in licences 10215M, 10214M and 16456M from Weyburn Investments Ltd. All claims were in good standing at the time of this report.

The Property is located at the north eastern sector of the land holdings at approximate UTM (NAD27, Zone 21) grid co-ordinates 571,000E, 5,493,000N (approximately 49°32’08” north latitude by 56°06’07” west longitude), a position approximately 10 kilometres north of the town of Springdale.

The project site is easily accessible via a series of gravel roads which extend northwards from paved highway Route 392 which connects Springdale to the small community of Little Bay 20 km to the northeast.

There are excellent local resources and infrastructure to support exploration and mining activities and personnel are readily available from the town of Springdale, Newfoundland.

The area is characterized by a series of northeast-trending ridges and valleys which reflect the underlying geological controls.

The Little Deer Deposit initially underwent development and mining between 1966 with production from 1970 to 1972 by British Newfoundland Exploration Limited (“BRINEX”) via a 1,044 m drift on the 244 m (800) level of the Whalesback Mine. Operations at Little Deer ceased in 1972 with the closure of the Whalesback Mine. In 1973 the Little Deer Deposit was leased by Green Bay Mining Company Limited. They accessed the shallower portion of the Deposit via a 329 m decline from surface. Development and mining was carried out between 1973 and 1974 at which time operations ceased due to low copper prices.

The 2011 drill program (December 2010 – June 2011) comprised a total of 25 holes over 12,576 m. The program was designed to update and expand the existing NI 43-101 mineral resource. The updated mineral resource estimate for the Deposit is based on assay results from 48,432 m of drilling 82 holes completed by Thundermin and Cornerstone since June 2007 and assay data from a total of 102 surface and 122 underground historical holes that were drilled by BRINEX between 1961 and 1970 and Mutapa Gold Corporation between 1998 and 2000. The historical information was recovered from the archives of the Newfoundland and Labrador Department of Natural Resources in St. John’s, Newfoundland.
TABLE 1.1

<table>
<thead>
<tr>
<th>Resource Classification/Zone</th>
<th>Tonnes</th>
<th>Cu%</th>
<th>Cu lbs. (M)</th>
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<tr>
<td>Indicated Mineral Resources</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Little Deer Zone</td>
<td>1,911,000</td>
<td>2.37</td>
<td>99.8</td>
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<tr>
<td>Inferred Mineral Resources</td>
<td></td>
<td></td>
<td></td>
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<tr>
<td>Little Deer Zone</td>
<td>1,240,000</td>
<td>1.93</td>
<td>52.8</td>
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<tr>
<td>Little Deer Footwall Zone</td>
<td>1,711,000</td>
<td>2.04</td>
<td>77.0</td>
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<tr>
<td>Little Deer Footwall Zone Splay</td>
<td>797,000</td>
<td>2.64</td>
<td>46.2</td>
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<tr>
<td><strong>Total Inferred Resources</strong></td>
<td><strong>3,748,000</strong></td>
<td><strong>2.13</strong></td>
<td><strong>175.9</strong></td>
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</table>

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(2) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

(3) The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

(4) Ordinary Kriging was used for Cu grade interpolation.

(5) Grade capping of 15% Cu utilized on composites.

(6) A variable bulk density based on numerous field measurements was used for tonnage calculations.

(7) A copper price of US$3.42/lb. (May 31 2011 24 month trailing average) and an exchange rate of US$0.95US=C$1.00 was utilized to derive the 1% Cu cut-off grade. Mining costs were C$40/t, process costs were C$15/t and G&A was C$5/t. Concentrate freight and smelter treatment charges were C$10/t mined. Concentrate mass pull was 7%, process recovery was 97%, smelter payable was 96% and Cu refining was US$0.07/lb.

The increase in tonnage in the updated mineral resource estimate for the Deposit is due to a reinterpretation of the sectional data for the Deposit, the inclusion of all of the historical assay data recovered from the archives, the assay data from the 25 new holes drilled in the 2011 drill program and the use of length weighted bulk density data for individual assay samples that was not used previously.

P&E is of the opinion that Thundermin and Cornerstone should undertake further exploration work and the following program is recommended for the Little Deer Copper Deposit for the period October 1, 2011 to June 30, 2012, with a $2.0 M budget:

- A small program involving the re-assaying of standards and other check samples using aqua regia and four acid digestion to try and determine if the estimated resource grade may, in fact, be higher than estimated as discussed in Section 12.2.1 of this report.
- Additional diamond drilling is planned to test for extensions of the copper mineralization at depth and along strike. Infill diamond drilling on approximately 50 m centres is also planned to upgrade the Inferred Resources to the Indicated Resource category. The infill drilling, which will be required in order to undertake a pre-feasibility or feasibility study on the Deposit, will commence at shallower levels of the Deposit and proceed to depth.
Borehole Pulse EM surveys on selected deep drill holes.
Differential GPS surveys on all new drill holes.
Revised NI 43-101 mineral resource estimate following completion of the recommended diamond drill program.

It is anticipated that this work will be undertaken in two phases: Phase 1 (approx. October 1 to December 31, 2011 and Phase 2 (February 1 to June 30, 2012), as shown in Table 1.1.

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<td>Phase 1</td>
<td>CAD$</td>
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<tr>
<td>4,500 m of diamond drilling at $120.00 per m</td>
<td>540,000</td>
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<tr>
<td>Differential GPS surveying of all new drill holes</td>
<td>2,500</td>
</tr>
<tr>
<td>Re-assaying</td>
<td>500</td>
</tr>
<tr>
<td>Total Phase 1</td>
<td></td>
</tr>
<tr>
<td></td>
<td>543,000</td>
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</table>

<table>
<thead>
<tr>
<th>Phase 2</th>
<th>CAD$</th>
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<tr>
<td>12,000 m of diamond drilling at $120.00 per m</td>
<td>1,440,000</td>
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<tr>
<td>Differential GPS surveying of all new drill holes</td>
<td>3,000</td>
</tr>
<tr>
<td>Borehole Pulse EM surveys on 5-6 holes</td>
<td>40,000</td>
</tr>
<tr>
<td>Revised NI 43-101 Mineral Resource estimate</td>
<td>25,000</td>
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<tr>
<td>Total Phase 2</td>
<td></td>
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<td>1,508,000</td>
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The estimated drilling costs are “all-in” costs and include direct drilling costs, salaries and wages, assaying, room and board, truck rentals, management fees etc.
2.0 INTRODUCTION

2.1 TERMS OF REFERENCE

The following report was prepared to provide a National Instrument 43-101 (“NI 43-101”) compliant Technical Report of the copper mineralization contained in the Little Deer Copper Deposit (“the Deposit”), located north of the town of Springdale, Newfoundland, Canada. Thundermin Resources Inc. (“Thundermin”) and Cornerstone Resources Inc. (“Cornerstone”) own the majority of the Property and have an option to earn a 100% interest the remainder of the Little Deer Property.

This report was prepared by P&E Mining Consultants Inc. (“P&E”) at the joint request of Mr. John Heslop, President of Thundermin, a Toronto-based resource company and Mr. Brooke MacDonald, President and CEO of Cornerstone, a Newfoundland-based resource company. The corporate offices for Thundermin and Cornerstone are as follows:

Thundermin Resources Inc.  
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Fax: 416-364-5098

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Mount Pearl, NL A1N 4R5  
Tel: 709-745-8377  
Fax: 709-747-1183

This report has an effective date July 4, 2011.

Mr. Eugene Puritch, a Qualified Person (“QP”) under the regulations of NI 43-101, conducted a site visit to the Property on May 16, 2011. An independent verification sampling program was conducted by Mr. Puritch at that time.

In addition to the site visit, P&E held discussions with technical personnel from Thundermin and Cornerstone regarding all pertinent aspects of the project and carried out a review of all available literature and documented results concerning the Property. The reader is referred to those data sources, which are outlined in the References, Section 26.0 of this report, for further detail.

The present Technical Report is prepared in accordance with the requirements of NI 43-101F1 of the Ontario Securities Commission (“OSC”) and the Canadian Securities Administrators (“CSA”).

The Mineral Resources in the estimate are considered compliant with the Canadian Institute of Mining, Metallurgy and Petroleum (“CIM”), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions.

The purpose of the current report is to provide an independent, NI 43-101 compliant, Technical Report and Resource Estimate on the Little Deer Property. P&E understands that this report will be used for internal decision making purposes and may be filed as required under TMX regulations. The report may also be used to support public equity financings.
2.2 SOURCES OF INFORMATION

This report is based, in part, on internal company technical reports, maps and technical correspondence, published government reports, press releases and public information as listed in the References, Section 26, at the conclusion of this report. Several sections from reports authored by other consultants have been directly quoted or summarized in this report, and are so indicated where appropriate.

The authors have drawn heavily upon selected portions or excerpts from material contained in a NI 43-101 technical report prepared by Micon International Limited (“Micon”) (Pressacco, 2009) and a memorandum update prepared by Scott Wilson Roscoe Postle Associates Inc. (“SWRPA”) (Pressacco, 2010) as noted below:


2.3 UNITS AND CURRENCY

Unless otherwise stated all units used in this report are metric. Copper values are reported in pounds per tonne (“lbs. Cu/t”) unless some other unit is specifically stated. The CDN$ is used throughout this report unless otherwise specifically stated.

2.4 GLOSSARY AND ABBREVIATION OF TERMS

In this document, the following terms have the meanings set forth below unless the context otherwise requires.

“$” and “CD$” means the currency of Canada
“AAS” means Atomic Absorption Spectroscopy
“AA” is an acronym for Atomic Absorption, a technique used to measure metal content subsequent to fire assay
“asl” means above sea level
“Au” means gold
“C” means degrees Celsius
“CIM” means the Canadian Institute of Mining, Metallurgy and Petroleum
“cm” means centimetres
“Co” means Cobalt
“Cornerstone” means Cornerstone Resources Inc.
“Cu” means Copper
“CSA” means the Canadian Securities Administrators
“E” means east
“el” means elevation level
“Ga” means gigayear, a unit of a billion years
“ha” means Hectare
“km” means kilometre
“lbs Cu/t” means pounds of copper per tonne
“m” means metre
“M” means million
“Ma” means millions of years
“mm” means millimetres
“MMER” means metal mining effluent regulations
“Mt” means millions of tonnes
“N” means north
“NE” means northeast
“NI 43-101” means National Instrument 43-101
“NPI” means Net Profit Interests
“NTS” means National Topographic System
“NW” means northwest
“NSR” means an acronym for net smelter return, which means the amount actually paid to the mine or mill owner from the sale of ore, minerals and other materials or concentrates mined and removed from mineral properties, after deducting certain expenditures as defined in the underlying smelting agreements
“oz./T” means ounces per short ton
“P&E” means P&E Mining Consultants Inc.
“Property” means the Little Deer Property
“ppb” means parts per billion
“ppm” means parts per million
“S” means south
“SE” means southeast
“SEDAR” means the System for Electronic Document Analysis and Retrieval
“SW” means southwest
“t” means tonnes (metric measurement)
“t/a” means tonnes per year
“Thundermin” means Thundermin Resources Inc.
“TN” means True North
“tpd” means tonnes per day
“TSX-V” means the TSX Venture Exchange
“US$” means the currency of the United States
“UTM” means Universal Transverse Mercator
“SWRPA” means Scott Wilson Roscoe Postle Associates
“W” means west
3.0 RELIANCE ON OTHER EXPERTS

P&E has assumed, and relied on the fact, that all the information and existing technical documents listed in the References section of this report are accurate and complete in all material aspects. While we carefully reviewed all the available information presented to us, we cannot guarantee its accuracy and completeness. We reserve the right, but will not be obligated to revise our report and conclusions if additional information becomes known to us subsequent to the date of this report.

Copies of the tenure documents were reviewed by P&E and an independent verification of claim title was performed using the Mineral Rights Inquiry form found on the Newfoundland and Labrador Department of Natural Resources’ webpage. Operating licenses, permits, and work contracts were not reviewed. P&E has not verified the legality of any underlying agreement(s) that may exist concerning the licenses or other agreement(s) between third parties but has relied on, and believes it has a reasonable basis to rely upon, Mr. Andrew Hussey, P.Geo., Lands Manager for Cornerstone and senior geologist for the Little Deer Joint Venture to have conducted the proper legal due diligence.

Select technical data, as noted in the report, were provided by Thundermin and Cornerstone, and P&E has relied on the integrity of such data.

A draft copy of the report has been reviewed for factual errors by the clients and P&E has relied on Thundermin’s and Cornerstone’s knowledge of the Property in this regard. All statements and opinions expressed in this document are given in good faith and in the belief that such statements and opinions are not false and misleading at the date of this report.
4.0 PROPERTY DESCRIPTION AND LOCATION

4.1 LITTLE DEER PROPERTY LOCATION

The Little Deer property is located approximately 10 km north-northeast of the town of Springdale in north-central Newfoundland (see Figure 4.1), in the north-eastern area of the land holdings at approximate UTM (NAD 27, Zone 21) grid coordinates 571,000E and 5,493,000N (approximately 49°32’,08” north latitude and 56°06’07” west longitude).

Figure 4.1 Location of the Little Deer Property

![Figure 4.1 Location of the Little Deer Property](Source: Pressacco, 2009)

4.2 PROPERTY DESCRIPTION AND TENURE

The Little Deer property comprises 4 mineral licenses containing a total of 276 staked claims covering a total area of approximately 6,530 hectares (Figure 4.2). Surface rights are not part of the land holdings and the claim boundaries of all the map-staked claims are currently established by geographic (UTM grid) reference. The claim boundaries of all ground-staked claims are established by placement of claim posts along the claim lines and at the corners of the claims.

A schedule of claims has been provided by Thundermin and is presented in Table 4.1 and shown in Figure 4.2. The status of the claims has been independently verified by P&E using the mineral rights inquiry form located on the Newfoundland and Labrador Department of Natural Resources’ website.
**Table 4.1**  
MINERAL LICENCE AND CLAIMS STATUS, LITTLE DEER PROPERTY (AS OF JUNE 16, 2011)

<table>
<thead>
<tr>
<th>Licence Number</th>
<th>Number of Claims</th>
<th>Issuance Date</th>
<th>Assessment Year</th>
<th>Renewal Date</th>
<th>Expiration* Date</th>
<th>Expenditures Required</th>
<th>Expenditures Due Date</th>
<th>Licence Holder</th>
<th>Surface Rights</th>
<th>Status</th>
</tr>
</thead>
<tbody>
<tr>
<td>10214M</td>
<td>4</td>
<td>15-May-95</td>
<td>17</td>
<td>Not Applicable</td>
<td>15-May-15</td>
<td>$0.00</td>
<td>Not Applicable</td>
<td>Weyburn Investment s Ltd.</td>
<td>100% Crown Land</td>
<td>Good Standing</td>
</tr>
<tr>
<td>10215M</td>
<td>20</td>
<td>9-Jan-95</td>
<td>17</td>
<td>Not Applicable</td>
<td>9-Jan-15</td>
<td>$0.00</td>
<td>Not Applicable</td>
<td>Weyburn Investment s Ltd.</td>
<td>100% Crown Land</td>
<td>Good Standing</td>
</tr>
<tr>
<td>12196M</td>
<td>232</td>
<td>24-May-02</td>
<td>10</td>
<td>24-May-12</td>
<td>24-May-22</td>
<td>$37,333.37</td>
<td>24-May-13</td>
<td>Cornerstone Resources Inc.</td>
<td>100% Crown Land</td>
<td>Good Standing</td>
</tr>
</tbody>
</table>

Claims 276

Area (km²) 65.3

*Note: Mineral licences in Newfoundland and Labrador may be held for a maximum of 20 years, after which time they must be converted to a Mining Lease.*
The Little Deer project is subject to a Joint Venture agreement between Thundermin and Cornerstone (50/50 basis, with Thundermin acting as the operator) that was formed in June 2007 when an option to acquire a 100% interest in the past-producing Little Deer copper deposit and adjoining claims from Weyburn Investments Ltd (“Weyburn”) was signed. The following information was presented in a joint Thundermin and Cornerstone news release that was issued on May 1, 2007:

- “Under the terms of the Letter of Intent (LOI) with Weyburn, the Little Deer Joint Venture (“LDJV”) has an option to acquire a 100% interest in the Weyburn Property by making the following option payments in cash and/or shares of equal value in each of Thundermin and Cornerstone, at each of Thundermin’s and Cornerstone’s respective election:
  - CDN $170,000 upon the execution and delivery of the Agreement;
  - $115,000 on or before the 2nd anniversary of the Agreement (the “Second Payment”);  
  - $200,000 on or before the 3rd anniversary of the Agreement (the “Third Payment”) (should the LDJV make the second payment, then the Third Payment becomes a commitment of the LDJV); and
  - An amount on or before the 4th anniversary of the Agreement (the “Buyout Amount”) depending upon the size of the mineral resource defined on the Weyburn Property (the “Buyout Mineral Resource”). The Buyout Amount will commence at $1,500,000 for a deposit of <4,500,000 t and range up to $5,000,000 for a deposit of 10,000,000 t. The LDJV will pay to Weyburn an additional $250,000 for each additional 500,000 tonnes of Buyout Mineral Resources in excess of 10,000,000 tonnes. All tonnes not paid for as at the date the Buyout Amount is determined will be paid for on the basis of tonnes mined and milled in the future.

The LDJV is committed to spend a minimum of $850,000 on the Weyburn Property on or before the second anniversary of the Agreement, a minimum of $500,000 of which will be spent on or before the first anniversary of the Agreement. All additional expenditures on the Weyburn Property above the $850,000 commitment are at the LDJV’s sole option and discretion. Subject to the LDJV making the Second Payment, the making of any option payments beyond what is due to Weyburn upon the execution and delivery of the Agreement, including the payment of the Buyout Amount, is at the LDJV’s sole option and discretion.

Once the LDJV has determined that it has completed sufficient drilling to outline a potentially economic deposit on the Property, the LDJV is to retain a qualified independent engineering firm to undertake a NI 43-101 mineral resource calculation (“The Mineral Resource Report”). Only the sum of the measured and indicated mineral resources determined in the Mineral Resource Report will be the Buyout Mineral Resource for the purposes of determining the Buyout Amount.

The LDJV will be responsible for the payment of a 2% net smelter returns royalty (“NSR”) payable to a third party on the Little Deer Licence (10215M), 50% of which can be repurchased for $1,000,000, and the payment of a 3% NSR to third parties on the Duck Pond Licence (10214M). Should the LDJV place into production an orebody discovered on Mineral Licenses 11043M, 11184M, 11187M or 11237M, (now 16456M) the LDJV is to pay a 1.5% NSR royalty to Weyburn, 50% of which can be repurchased by the LDJV for $1,000,000.
The LDJV will be a 50/50 joint venture between Thundermin and Cornerstone with Thundermin as operator. Once the LDJV has completed sufficient exploration drilling to prepare a Mineral Resource Report, Thundermin, at its sole discretion and cost, has the right to carry out a detailed study to determine the economic viability of putting the property into commercial production (the “Feasibility Study”). Upon completion of the Feasibility Study, Thundermin will have earned an additional 15% undivided interest in the LDJV. Thundermin shall have the further right to increase its undivided interest in the LDJV by an additional 10% by arranging 100% of the necessary bank financing required to place the property into commercial production.”

As of the effective date of this report, all the Little Deer claims are in good standing.

In 2009, a NI 43-101 mineral resource estimate for the Little Deer property was presented in a report dated August 14, 2009 by Mr. Reno Pressacco, P.Geo., of Micon International Limited (Micon) of Toronto. This report is available on the SEDAR website.

In 2010, an update to the mineral resource estimate was presented in a memorandum dated September 30, 2010 by Mr. Rene Pressacco, P.Geo., of Scott Wilson Roscoe Postle Associates Inc. of Toronto. This report is available on the SEDAR website.

**Figure 4.2 Little Deer Property Claims Map**

4.3 PERMITS AND OBLIGATIONS

On-going exploration work, including the creation of drill access roads and drill platforms requires the approval of the Newfoundland and Labrador Department of Natural Resources.
5.0 ACCESSIBILITY, CLIMATE, LOCAL RESOURCES, INFRASTRUCTURE AND PHYSIOGRAPHY

5.1 ACCESS

The Little Deer property is located in western Notre Dame Bay of north-central Newfoundland, approximately 10 km north northeast of the town of Springdale (see Figure 4.1). The project site is easily accessed via a network of gravel roads which extend north from paved highway Route 392, which connects Springdale to the small community of Little Bay 20 km to the northeast.

5.2 CLIMATE

The climate of north-central Newfoundland is northern temperate generally with cold winters and short, moderately hot summers. Temperatures range from approximately +22°C during the summer to -15°C during the winter. Yearly precipitation averages approximately 1000 mm, with Environment Canada reporting an average of 747 mm of rain and 253 cm of snow for Springdale during the period 197-2000.

The climate information presented in Figure 5.1 was taken from the weather station in Deer Lake, Newfoundland, located approximately 110 km west, south-west of the Property.

It is expected that mining activity on the property could be conducted year-round.

5.3 LOCAL RESOURCES

The Notre Dame Bay area has a long history of copper mining. Between 1860 and the end of World War I, more than two dozen copper mines had been in production, including the Tilt Cove, Betts Cove and Little Bay mines. Copper production peaked in the 1880’s when Newfoundland was the world’s sixth largest copper mining area. The area still retains a strong mining culture and local residents are supportive of the mining industry.

The nearby town of Springdale has a population of approximately 2,800 and is a service centre for the Green Bay area, with general amenities and community services available. Springdale also has several local diamond drilling contracting companies and an analytical laboratory. The area also has a skilled work force, many of whom have experience working in the mineral exploration and mining industry.

5.4 INFRASTRUCTURE

The Little Deer project is conveniently located to take advantage of local infrastructure including major road networks, electrical power transmission lines and deep water ports.

The project site is located immediately north of paved highway Route 392 and 20 km northeast of the Trans-Canada Highway. An electrical power transmission line parallels Route 392 and a high voltage electrical substation is located 10 km south southwest just outside Springdale.

The project area has several lakes and ponds which provide an ample supply of fresh water. There are several deep water marine ports suitable for shipping future copper concentrates located nearby (i.e. Little Bay, 10 km away; Goodyear’s Cove, 32 km away).
5.5 PHYSIOGRAPHY

The regional physiography of the western Notre Dame Bay area is characterized by a series of northeast-trending ridges and valleys which reflect the underlying geological controls (lithology and fault structures). Elongated coastal bays, as well as inland drainage patterns and the orientation of lakes, also generally parallel this structural trend.
The Little Deer property area exhibits gently to steeply rolling topography which is forested with spruce, fir and birch. Hilltops are occasionally barren and low-lying areas and valleys are covered by bogs, swamps, lakes and ponds. The Little Deer deposit area is located underneath and to the west of Deer Pond at an elevation ranging from approximately 105 to 150 metres a.s.l. (Figure 5.2)

**Figure 5.2  View of Deer Pond, Looking South West**

(Source: Pressacco, 2009)
6.0 HISTORY

This section draws heavily upon material contained within Pressacco (2009).

6.1 PROPERTY HISTORY

The history of the property is presented in Table 6.1.

<table>
<thead>
<tr>
<th>Year</th>
<th>Company</th>
<th>Exploration</th>
</tr>
</thead>
<tbody>
<tr>
<td>1952</td>
<td>Falconbridge Nickel</td>
<td></td>
</tr>
<tr>
<td></td>
<td>Mines Ltd</td>
<td>Initial discovery of the Little Deer property.</td>
</tr>
<tr>
<td>1955</td>
<td>BRINEX</td>
<td>General prospecting and soil geochemical surveys.</td>
</tr>
<tr>
<td>1960-1962</td>
<td>BRINEX</td>
<td>Detailed geological mapping, magnetic, electromagnetic and self-potential geophysical surveys. Additional geochemical surveys detected a series of copper anomalies extending from the north shore of Little Deer pond to the east bay of the lake. 25 boreholes were advanced beneath the lake which revealed the continuation of the mineralized zone over a strike length of 244 m with an average width of 8 m.</td>
</tr>
<tr>
<td>1963</td>
<td>BRINEX</td>
<td>12 more boreholes advanced which indicated an easterly extension of the mineralization at depth and a parallel (East) lens.</td>
</tr>
<tr>
<td>1965-1972</td>
<td>BRINEX</td>
<td>Extensive drilling on property. Mining activities treated as a co-development to the underground operations at the nearby Whalesback Mine. Achieved by driving a 1,044 m tunnel at a depth of 244 m (800 ft level) which served as the main haulage level. Limited development, no accurate production records from this time. Production was thought to be limited due to the secondary nature of its development to Whalesback, the inadequate nature of the exploration work (i.e. – there were no established mineable reserves) and the premature closure of the Whalesback Mine due to low copper prices.</td>
</tr>
<tr>
<td>1973-1974</td>
<td>Green Bay</td>
<td>Little Deer Mine reopened. Financial difficulties and poor copper prices caused operations to cease. Development limited to shallow, low grade copper resources that were accessible from a 329 m decline ramp driven from surface at the Little Deer Mine site.</td>
</tr>
<tr>
<td>1998-2000</td>
<td>Mutapa Gold Corp.</td>
<td>Geological mapping, surface and borehole geophysical surveys. 12 diamond bore holes advanced for a total of 6,815 m of drilling. Drilling focused on the possible west-south western strike extension to the Duck Pond area.</td>
</tr>
<tr>
<td>2000</td>
<td>Mutapa Gold Corp.</td>
<td>Mutapa Gold Corp. returned property to owners due to low copper prices and a change in business focus to the tech sector.</td>
</tr>
<tr>
<td>2007</td>
<td>Thundermin Resources</td>
<td>Option to earn a 100% interest in the property acquired from Weyburn, diamond drilling (4,941.55 m in 8 DDH), line cutting, GPS surveying, compilation.</td>
</tr>
<tr>
<td>Year</td>
<td>Company</td>
<td>Exploration</td>
</tr>
<tr>
<td>------</td>
<td>--------------------------------</td>
<td>-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------</td>
</tr>
<tr>
<td>2008</td>
<td>Thundermin Resources &amp; Cornerstone Resources</td>
<td>14 Boreholes advanced totalling 9,004 metres. 150 samples taken for analysis. Down-hole geophysics using Pulse EM completed on 14 boreholes. Airborne geophysics conducted totalling 227 line kilometres of Versatile Time Domain Electromagnetic and magnetic survey was flown over a portion of the Little Deer deposit and the adjoining Weyburn licenses to the east.</td>
</tr>
<tr>
<td>2009</td>
<td>Thundermin Resources &amp; Cornerstone Resources</td>
<td>Diamond drilling (11,377.0 m in 17 DDH), GPS surveying, compilation, borehole Pulse-EM geophysical surveys, initial 43-101 mineral resource estimate, prospecting.</td>
</tr>
<tr>
<td>2010</td>
<td>Thundermin Resources &amp; Cornerstone Resources</td>
<td>Diamond drilling (11,501.6 m in 18 DDH, including 3 holes drilled in December as part of 2011 drill program), line cutting, GPS surveying, compilation, borehole Pulse-EM geophysical surveys, Induced Polarization (IP) geophysical survey, updated 43-101 mineral resource estimate, initial metallurgical test work, prospecting.</td>
</tr>
</tbody>
</table>

### 6.2 HISTORIC RESOURCE ESTIMATES

There are no recorded resource evaluations of the sulphide mineralization at Little Deer. Former staff at the Whalesback and Little Deer mines stated that no mineral resources were attempted during the BRINEX period because the deposit shape, geometry and grade characteristics were poorly understood. Mining at Little Deer was based on development drift at the 244 m level (the 800 ft level) which was established from the Whalesback Mine located to the north-east.

At the cessation of the Green Bay Mining Company’s operations in 1974, a statement was released suggesting that a non-NI-43-101 compliant reserve of 210,200 t, grading 1.53% Cu remained above the 245 m elevation. No supporting calculations or methods were provided to show how this figure was arrived at. It should be noted that this estimate is historic in nature, has not been reviewed by a QP and should not be relied upon.

In 2009, Micon prepared a NI 43-101 compliant Mineral Resource estimate for the Little Deer deposit (Pressacco, 2009). Micon estimated that the deposit contains Indicated Mineral Resources of 1,087,000 tonnes grading 2.90% Cu and Inferred Resources of 1,950,000 tonnes grading 2.29%.

In 2010 Scott Wilson RPA updated the Mineral Resource estimate for the Little Deer deposit (Pressacco, 2010). Scott Wilson RPA estimated that the deposit contains Indicated Mineral Resources of 1,150,500 tonnes grading 2.79% Cu and Inferred Mineral Resources, comprised of the Little Deer and Footwall zones (Figure 6.1), of 2,335,500 tonnes grading 2.06% Cu.
It should be noted that the resource estimates above are superseded by the resource estimate prepared by P&E presented in Section 13 of this report.

Figure 6.1  Schematic Cross Section, Little Deer Deposit

(Source: Pressacco, 2010)
7.0 GEOLOGICAL SETTING AND MINERALIZATION

7.1 REGIONAL GEOLOGY

The island of Newfoundland is underlain by a wide variety of Precambrian and Palaeozoic rocks ranging from the Proterozoic to Carboniferous period. The area in the vicinity of Little Deer property is underlain by the Lushs Bight Group which underlies the Springdale Peninsula, Sunday Cove Island and part of Pilley’s Island and the Southwest Arm Area, Notre Dame Bay, northern Newfoundland. The Lushs Bight Group is comprised mainly of sheeted diabase dykes and basaltic flows and minor pyroclastic and ultramafic rocks. Pillow basalts are further subdivided based upon the presence of diabase dykes, pillow breccias, intercalated tuff, amygdules and hematization.

The Lushs Bight Group is a part of the Paleozoic Central Mobile Belt of the Newfoundland Appalachians. It lies within the Notre Dame Subzone of the Dunnage tectonostratigraphic zone (Figure 6.1). This zone is characterized by remnants of a series of Cambrian and Ordovician island-arcs and back-arc basins that were successively accreted to the North American (Laurentian) and Gondwanan continental margins during the Ordovician and Silurian. The geological development of the Dunnage Zone is defined by four broad geological environments as follows:

- Cambro-Ordovician ophiolitic rocks, which have been interpreted as remnants of oceanic crust. Recent work suggests some complexes formed in a suprasubduction zone environment.
- Thick sequences of Cambrian and Ordovician tholeitic and calc-alkaline volcanic and subvolcanic rocks, and related volcaniclastic rocks. The volcanic sequences consist of mafic and felsic, dominantly submarine, volcanic and volcaniclastic rocks generally interpreted to represent the remains of Cambrian to Middle Ordovician island-arc and back-arc basins.
- Middle Ordovician shale and chert, and a Late Ordovician to Early Silurian flyschoid sequence of argillite, greywacke and conglomerate. Generally, these rocks conformably overlie many of the volcanic sequences and partially derived from them. Along the western side of the Dunnage Zone, however, these rocks are absent and Silurian volcanic and sedimentary rocks rest unconformably on either ophiolitic rocks, Ordovician volcanic island-arc rocks, or Ordovician plutonic rocks. The flyschoid sequences are generally derived from the northwest and indicate tectonic uplift to the northwest during the Taconian Orogeny.
- Subaerial, mainly felsic, volcanic rocks and terrestrial – fluvatile sedimentary rocks of Silurian age. They are interpreted to be deposited in troughs and basins (successor basins) developed within the orogen and unconformably overlie the Ordovician and older rock units. Carboniferous sedimentary rocks were deposited in later pull-apart basins.

According to Kean et al. (1995), new geochemistry work shows that portions of the Lushs Bight Group (with major rock units comprised of sheeted dykes and pillow lavas forming part of an ophiolite sequence) have formed in a ‘suprasubduction zone’ environment as an incipient island arc.
7.2 GEOLOGY OF THE LITTLE DEER PROPERTY

The Little Deer deposit is hosted in a typical ophiolitic sequence which underlies most of the Springdale Peninsula. Similar ophiolite sequences are known to host VMS and related deposits elsewhere in Newfoundland, including the former producing mines at Little Bay, Whalesback, Betts Cove, Tilt Cove, Gullbridge and Rambler (Figure 7.1).

**Figure 7.1  Simplified Geology and Location of Past-Producing Mines in Newfoundland**

![Simplified Geology and Location of Past-Producing Mines in Newfoundland](https://example.com/simplified_geology.png)

(Source: Pressacco, 2009)

The major host lithology consists of steeply dipping mafic metavolcanic rocks with few continuous stratigraphic marker units relative to copper mineralization as is commonly found in VMS deposits. Occurrences of agglomerates, tuffs and chert-rich units are observed in the drill core, but sometimes are not found in adjacent drill holes suggesting such units have been deposited in small depressions.

The Little Deer deposit contains mainly stringer and disseminated sulphide mineralization, with lesser amounts of massive sulphide mineralization, associated mainly with Upper Cambrian age mafic ophiolitic rocks of the Lushs Bight Group. The mineralization principally consists of massive sulphides and occurs in chloritized and epiditoized pillow basalts and an intermediate chlorite schist zone. The schist zone ranges from chlorite schist through chlorite-sericite schist and quartz-sericite schist to sericite schist. The dominant alteration mineral is chlorite, mainly an iron-rich variety known as repidolite. In the Little Deer area, a shear zone structure (manifested by a zone of increased foliation of the host mafic metavolcanic rocks) seems to have been preferentially developed within the chlorite schists. The metavolcanics and schists are intruded by gabbroic dykes and small stocks.

The Little Deer deposit is bounded by two faults – the Davis Pond Fault and the Middle Arm – Clam Pond Fault. There are several small faults in the schist zone. It was previously thought that the mineralization was controlled by faulting but it is now thought that the schists have been preferentially sheared due to mechanical weaknesses in the volcanic pile (Figure 7.2).
7.3 MINERALIZATION OF THE LITTLE DEER PROPERTY

Mineralization at the Little Deer deposit is mainly comprised of stringer sulphide mineralization. The sulphides present are pyrrhotite, chalcopyrite, pyrite, sphalerite and marcasite. The copper mineralization outlined seems to be stratiform in overall form and generally follows the orientation of the host mafic volcanic units. The copper mineralization is manifested as narrow intervals of massive sulphide, wider intervals of semi-massive sulphide (i.e.- sulphide-matrix breccias), stringers and veinlets and disseminations.

The mineralogy in copper rich areas resembles that found at the Little Deer mine and is a mixture of chalcopyrite and pyrrhotite with occasional occurrences of sphalerite. Most drill holes intersect only one copper-rich zone, although several holes contain two or more copper-rich intersections, suggesting the presence of multiple mineralized zones. The copper mineralization is present in a series of discrete lenses and zones that are oriented in an en echelon pattern.
Figure 7.3  Sulphide Rich Mineralization Intersection, DDH LD-08-10A

(Source: Pressacco 2010)
8.0 DEPOSIT TYPES

8.1 METALLOGENIC MODEL – VMS DEPOSITS

Volcanogenic massive sulphide deposits (VMS) typically occur as lenses of polymetallic massive sulphide which form at or near the seafloor in submarine volcanic environments. They are formed by the focused discharge of metalliferous hydrothermal fluids associated with seafloor hydrothermal convection. The host rocks can be either volcanic or sedimentary. VMS deposits are major sources of zinc, copper, lead, silver and gold and significant sources of cobalt, tin, selenium, manganese, cadmium, indium, bismuth, tellurium, gallium and germanium.

VMS deposits typically feature a tabular to mound-shaped stratabound body comprised, principally, of massive (>40%) sulphide, quartz and subordinate phyllosilicates and iron oxide minerals and altered silicate wall-rock. These stratabound bodies are typically underlain by discordant to semi-discordant stockwork veins and disseminated sulphides. The stockwork vein systems, sometimes referred to as ‘pipes’ are surrounded by a distinctive alteration halo which may extend into the hanging wall strata above the VMS deposit. (Figure 8.1)

Figure 8.1 Schematic Diagram of a VMS Deposit

![Schematic Diagram of a VMS Deposit](Source: Galley et al., 2007)

8.2 CYPRUS-TYPE VMS DEPOSITS

Cyprus type VMS deposits form on the sea floor and are related to the formation of oceanic crust and spreading zones where new crust is being created. These types of deposits are related to
extrusive, often pillowed basalts, usually underlain by ultramafic intrusive and cumulate rocks (Taylor et al., 1995).

Oceanic crust is continually being formed at spreading centres on the sea floor. These environments are hot and dynamic where lavas and basalts are erupted onto the sea floor. Hydrothermal solutions and vents, also known as ‘black smokers,’ are also common in these environments. These black smokers are vents and fissures where hot solutions erupt on to the sea floor. Fine sulphide particles form crusts, mounds or plumes of solids which ‘rain’ down on the sea floor. Black smokers are thought to be the modern equivalent of volcanogenic massive sulphides in the geological record.

Ophiolitic rocks are sections of oceanic crust that have been uplifted and exposed above sea level and often emplaced onto continental crustal rocks. Ophiolite VMS deposits are generally comprised of two distinct components – the vertical to sub-vertical stringer zone of vein and disseminated sulphide beneath – and the more massive sulphides as tabular, blankets lying parallel to the sea floor.

### 8.3 LITTLE DEER DEPOSIT MODEL

The Little Deer Cyprus VMS copper deposit occurs within the Cambro-Ordovician Lushs Bight Group sequence of ophiolitic intermediate to mafic volcanic rocks. The main sulphide mineralization consists of disseminated, stringer, and semi-massive to massive pyrite, pyrrhotite and chalcopyrite with minor sphalerite. The main copper-bearing horizon dips approximately 75° to the south. Eight similar Cyprus-type VMS copper deposits occur in the region and are also hosted by the Lushs Bight Group. They have reported resources, of which the past-producing Whalesback mine is amongst the largest, at approximately 3.8 million tonnes grading approximately 1% Cu (Van Staal, 2007). Seventeen such deposits are known in Cyprus with similar characteristics to those occurring in the Lush’s Bight Group with the largest being Mavrovouni at approximately 25 Mt.

The mineralogy of the deposit is predominantly copper with subsidiary cobalt and silver with minor gold. Low to moderate zinc values are present, but the zinc is normally zoned away from the copper. In this regard, the deposit is closer to a Cyprus-type VMS deposit characterized by a metal content that is usually restricted to copper, gold and, less commonly, zinc. Figure 8.2 presents paleovolcanic listric normal faults as a possible explanation for the presence of two copper stringer zones.
Figure 8.2  Schematic Model Illustrating A Possible Explanation for Two Copper Stringer Zones–Paleovolcanic Listric Normal Faults

(Source: Franklin, 2008)
9.0  EXPLORATION

9.1  RECENT EXPLORATION (2010-2011)

All exploration carried out on the Property prior to the 2011 drilling program is summarized in Section 6.0 of this report.

In 2011, Thundermin and Cornerstone completed a geological compilation of historical surface and underground diamond drilling information dating back to the 1960’s. This information was obtained from the archives of the Newfoundland and Labrador Department of Natural Resources. The conclusion of this compilation work was that there was potential to add significant resources of high grade copper mineralization at shallower levels in the eastern portion of the deposit above the -400 m elevation, particularly the -250 m elevation. This led to the drill program that began in December 2010.
10.0 DRILLING

All drilling prior to the 2011 drill program is summarized in section 6.0 of this report.

The aim of the 2011 diamond drilling campaign was to increase the estimated mineral resources outlined by Scott Wilson RPA (Pressacco, 2010). It should be noted that all reference to the ‘resource’ and ‘deposit’ in this section refers to the resource as defined by Scott Wilson RPA in 2010. The drilling focused on three main areas:

- Above the -400 m elevation where historical drilling indicated a good potential for outlining high grade resources in the eastern portion of the deposit, especially above the -250 m elevation;
- Along strike both east and west of the limits of the 2010 Scott Wilson RPA resource outline between the -650 m and -400 m elevations; and
- At depth below the -650 elevation.

Two drills were utilized for the 2011 drilling, with one drill testing the shallow portion of the deposit and a second drill testing deeper targets.

Three holes (LD-10-39, LD-10-40 and LD-10-41) totalling 966 m were drilled in December 2010. These holes were to confirm high grade copper mineralization known to exist in the upper portion of the deposit based on a review of historical data. Hole LD-10-39 intersected high grade massive, semi-massive and stringer chalcopyrite-pyrite-pyrrhotite mineralization. It was drilled to confirm the copper mineralization in historical surface hole LD-62-78 which intersected 2.9% Cu over 60.1 m. Hole LD-10-40 was drilled approximately 35 m west of LD-10-39 and LD-10-41 was drilled approximately 50 m east of hole LD-10-39.

Twenty-two holes totalling 11,610 m were drilled between January and June 2011. Hole LD-11-45 was drilled on the upper western margin of the deposit while LD-11-44 was advanced on the upper eastern margin of the deposit. Borehole LD-11-49 was drilled outside the resource area, while LD-11-52 was advanced along the eastern edge of the resource area. Holes LD-11-50 and LD-11-51 were in-fill holes that were drilled on the -300 m elevation to confirm the continuity of the copper mineralization in the upper central portion of the deposit. Holes LD-11-53 through LD-11-56 were drilled to further define the eastern margin of the deposit. Holes LD-11-58, 59, 61 and 62 were drilled, approximately, on the -100 m elevation to confirm historical drill data in the upper central portion of the deposit. Each borehole intersected copper mineralization over varying widths. Hole LD-11-60 was abandoned due to drilling difficulties.

A list of boreholes and significant intersections can be found on Table 10.1. Borehole locations are presented in Figure 10.1.

A total of twenty-five boreholes were advanced for a total of 12,576 m of drilling.

The results of these drill programs are extracted from relevant news releases (Thundermin, 2010, 2011) and summarized in Table 10.1 below.
<table>
<thead>
<tr>
<th>Hole No.</th>
<th>East (m)</th>
<th>North (m)</th>
<th>Dip (°)</th>
<th>Az (°)</th>
<th>From (m)</th>
<th>To (m)</th>
<th>Interval (m)</th>
<th>Cu (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>LD-10-39</td>
<td>14,057</td>
<td>4,459</td>
<td>-37.1</td>
<td>321.6</td>
<td>208.6</td>
<td>209.1</td>
<td>0.5</td>
<td>13.4</td>
</tr>
<tr>
<td>and</td>
<td></td>
<td></td>
<td></td>
<td></td>
<td>213.9</td>
<td>218.1</td>
<td>4.2</td>
<td>4.6</td>
</tr>
<tr>
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<td>-40.5</td>
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<td>74.8</td>
<td>1.4</td>
<td>2.2</td>
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<td></td>
<td>87.0</td>
<td>89.7</td>
<td>2.7</td>
<td>1.6</td>
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</table>

*All indicated widths are core lengths*
Figure 10.1  Borehole Location

(Source: Thundermin Press Release, 2011)
11.0 SAMPLE PREPARATION, ANALYSES AND SECURITY

Prior to sampling, each interval to be sampled was assembled as accurately as possible and rotated to a common orientation by the geologist in order to best preserve the core angles. Where significant zones of mineralization were sampled, rock quality designations (RQD) were measured by the geologist or core technician from 20 meters above the mineralized zone, through the mineralization and to 20 meters below it. Photographs of the core, both wet and dry, were taken prior to any cutting of the core. The geologist then marked the sampling intervals to be submitted for analysis. A unique sample tag was given to each sample taken from sample booklets of 50 in triplicate form. Two of three tags were marked with the date, project, drill hole number, depth from, depth to and sample width. The third tag was left blank. The length of the samples ranged from a minimum of 0.1 metres to a maximum of 1.9 metres. Samples were nominally taken in 1.0 meter increments. Care was taken to ensure that the samples corresponded to either geological or alteration intervals present in the core. Aside from some narrow intervals of fault gouge and blocky core, no drilling, sampling or recovery factors were encountered that would materially impact the accuracy and reliability of the analytical results. The drill core provided samples of high quality, which were representative of any alteration, veining or sulphide accumulations that were intersected by the drill hole. No factors were identified which may have resulted in a sample bias.

After the sample intervals were marked, the core technician or geologist cut the core at each sample break using an electric tile saw equipped with a diamond impregnated blade. Pieces of core in excess of 30 cm were also cut to allow for specific gravity measurements. Specific gravity measurements were made on all samples considered to represent a zone of significant copper mineralization. In these cases, the specific gravities of all individually marked samples were determined on the whole core sample by the core technician or geologist using the Archimedes principle. The core technician or geologist then cut the core lengthways in half with an electric tile saw. One half of the core sample was then placed in a plastic bag marked on both sides with the unique sample tag number. The unmarked sample tag was placed into the sample bag which was then tied shut with vinyl flagging tape. 5-8 samples were placed into a large fibre bag which was sealed with a plastic cable tie and stored for assaying. One of the marked tags was placed in a small plastic bag and stapled into the core box, normally at the top of the sampled interval. The other marked sample tag was kept in the booklet for future reference. The remaining half core was left in the core box for future reference.

Once all the samples had been collected for a drill hole, they were transported under the direct supervision of the geologist or core technician to the sample receiving facilities of Eastern Analytical Ltd. Once all the samples for one drill hole had been split, the remaining half core was stored in a secure indoor location. A total of 541 samples of half cut drill core were taken during the 2011 drilling program at the Little Deer deposit.
12.0 DATA VERIFICATION

12.1 SITE VISIT AND INDEPENDENT SAMPLING

Mr. Eugene Puritch, P. Eng., visited the Little Deer Project on May 16, 2011 for the purpose of doing the site visit and completing an independent verification sampling program. The Little Deer core was examined and 13 samples were taken in 11 holes by taking ¼ splits of the remaining half core in the box. An effort was made to sample a range of grades.

At no time were any employees of Thundermin or Cornerstone advised as to the identification of the samples to be chosen during the visit.

The samples were selected by Mr. Puritch, and placed into sample bags which were sealed with tape and placed in a rice bag.

The samples were brought by Mr. Puritch to AGAT Laboratory, (“Agat”) in Mississauga, Ontario for analysis.

Agat has developed and implemented at each of its locations a Quality Management System (QMS) designed to ensure the production of consistently reliable data. The system covers all laboratory activities and takes into consideration the requirements of ISO standards. Agat maintains ISO registrations and accreditations. ISO registration and accreditation provides independent verification that a QMS is in operation at the location in question. Most Agat laboratories are registered or are pending registration to ISO 9001:2000.

Copper samples were digested using four acid and analyzed using AAS finish. Overlimits were run using peroxide fusion and AAS analysis.

A comparison of the results is presented in Figure 12.1.

**Figure 12.1 Site Visit Sample Results for Copper**
12.2 QUALITY ASSURANCE/QUALITY CONTROL REVIEW

Thundermin and Cornerstone implemented a quality assurance/quality control (QAQC) program for the drilling programs, with the addition of two different certified reference materials and a pulverized blank material at a rate of approximately 1:20. In addition, 36 pulp samples were sent to a secondary lab as verification on the principal lab. P&E reviewed all data, which is discussed in the following sub-sections.

12.2.1 Performance of Certified Reference Materials

Two certified reference materials were used for the drill programs, which were both purchased at CDN Resource Labs in Langley, BC. The one with the higher grade mean was certified at 1.58% Cu, and the slightly lower grade reference material had a certified mean of 1.18% Cu.

There were 22 data points for the material grading 1.58% copper. The data were graphed, using +/- 2 standard deviations from the mean for the warning limits and +/- 3 standard deviations from the mean for the tolerance limits.

Two data points failed below the tolerance limit of -3 standard deviations. Six data points were above the mean and the remaining 14 data points were all within -2 standard deviations.

The material grading 1.18% Cu had 81 data points. This standard performed very poorly with the majority of the data points failing below -3 standard deviations. P&E examined the analysis methods for the round robin characterization of the standards, as well as the method used at the principal lab, in order to ascertain the possible source of error. The standards were characterized using a four acid digest, while the principal lab used three acid. It is possible this is partly responsible for the inaccuracy issues. The fact that the standards failed low is a cause for concern, in that the resource grade may in fact be higher than estimated. This fact has been discussed with Thundermin and Cornerstone, who are investigating this issue with the laboratory.

12.2.2 Performance of Blank Material

The blank material used was pre-pulverized and therefore did not go through the sample reduction process – it monitored possible analytical contamination only. There were 82 data points for the blank material and all were well below the upper threshold of three times the detection limit.

P&E declares the data acquired and analyzed by Thunderstone and Cornerstone to be satisfactory for use in a resource estimate.

12.2.3 Performance of Secondary Lab Checks

Thirty-six pulp samples were sent from Eastern Analytical to ALS Minerals of Vancouver for verification purposes. The data correlation was excellent with all points falling on a 1:1 line, or very close to it.

P&E declares the data acquired and analyzed by Thunderstone and Cornerstone to be satisfactory for use in a resource estimate.
13.0 MINERAL PROCESSING AND METALLURGICAL TESTING

The following is a summary of metallurgical test work completed in 2010 by SGS Minerals Services (Imeson, 2010). It should be noted that P&E has not separately reviewed the testwork.

SGS Mineral Services (“SGS”) of Lakefield, Ontario was retained by Thundermin and Cornerstone to conduct a characterization and flotation test program on a composite sample from the Little Deer deposit. The objectives of this initial metallurgical study were to examine the basic characteristics of the material (grindability and mineralogy) and to conduct a scoping-level flotation study to assign grade-recovery values to the test sample and to assess cobalt and impurity levels in the concentrate. A schematic of the locked cycle test flowsheet is presented in Figure 13.1 and a summary of the locked cycle test results are presented in Table 13.1.

The material graded 2.4% Cu, and occurred almost exclusively as chalcopyrite. Approximately 10.5% of the mass was iron sulphides, 85% of which was pyrrhotite, and 15% was pyrite. The non-sulphides were mainly chlorites (51%), quartz (15%) and plagioclase (7%). Liberation characteristics of the chalcopyrite required the primary grind to be in the 80% range passing 150 microns since the losses are likely to increase in coarser fractions. Regrinds in the range of 80% passing 30-40 microns would likely be necessary.

According to the SGS Bond ball mill work index database, the material was found to be of average hardness.

The flotation test classified the material as ‘easy-to-treat.’ Locked cycle testing applying a standard rougher-cleaner circuit yielded 97% copper recovery and concentrate grade of 28% Cu. A conservative recovery of 96% is selected for scoping level assessment.

The locked cycle testing revealed some minor issues with pyrrhotite loading and the report recommended further flotation testing to optimize several key process variables and to test other composites from the deposit. These composites could represent different spatial regions in the deposit, different lithologies or different grade ranges.
Figure 13.1  Locked Cycle Test Flowsheet

![Locked Cycle Test Flowsheet](image)

(Source: Imeson, 2010)

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<th>Test No.</th>
<th>Grind Size</th>
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<th>Co</th>
<th>Cu</th>
<th>S</th>
<th>Co</th>
<th>% Distribution</th>
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(Source: Imeson, 2010)
14.0 MINERAL RESOURCE ESTIMATES

14.1 INTRODUCTION

The mineral resource estimate presented herein is reported in accordance with the Canadian Securities Administrators’ National Instrument 43-101 and has been estimated in conformity with generally accepted CIM “Estimation of Mineral Resource and Mineral Reserves Best Practices” guidelines. Mineral resources are not mineral reserves and do not have demonstrated economic viability. There is no guarantee that all or any part of the mineral resource will be converted into mineral reserve. Confidence in the estimate of Inferred mineral resources is insufficient to allow the meaningful application of technical and economic parameters or to enable an evaluation of economic viability worthy of public disclosure. Mineral resources may be affected by further infill and exploration drilling that may result in increases or decreases in subsequent mineral resource estimates.

All mineral resource estimation work reported herein was carried out under the supervision of Mr. Eugene J. Puritch, P. Eng., an independent Qualified Person in terms of NI43-101, from information and data supplied by Thundermin and Cornerstone. The effective date of this estimate is June 18, 2011. A draft copy of this report was reviewed by Thundermin and Cornerstone for factual errors.

Mineral resource modeling and estimation were carried out using the commercially available Gemcom GEMS TM and Snowden Supervisor TM software programs.

14.2 PREVIOUS RESOURCE ESTIMATES

Two previous mineral resource estimates for the Little Deer deposit have been publically released. The first mineral resource estimate, dated August 14, 2009, prepared by Micon, estimated an Indicated Mineral Resource of 1,087,000 tonnes grading 2.90% Cu, and an Inferred Mineral Resource of 1,950,000 tonnes grading 2.29% Cu, at a 1.25% Cu cut-off grade (Table 14.1). The second mineral resource estimate, dated September 30, 2010, prepared by Scott Wilson RPA, estimated an Indicated Mineral Resource of 1,150,000 tonnes grading 2.79% Cu, and an Inferred Mineral Resource of 2,336,000 tonnes grading 2.06% Cu, at a 1.00% Cu cut-off grade (Table 14.2).

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<th>Cu%</th>
<th>Cu lbs. (M)</th>
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<td>Inferred Mineral Resources</td>
<td>1,950,000</td>
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TABLE 14.2
SUMMARY OF SWRPA LITTLE DEER MINERAL RESOURCES AS OF SEPTEMBER 30, 20101

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<th>Cu lbs. (M)</th>
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<td>106.1</td>
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P&E has not independently verified these mineral resource estimates, and makes no assurances as to their validity or economic viability, in whole or in part. It should be further noted that these mineral resource estimates have been superseded by the NI 43-101 compliant mineral resource estimate that is the subject of this report.

14.3 DATA SUPPLIED

All drilling and sampling data were compiled by Mr. Andrew Hussey, P.Geo., Project Geologist and Lands Manager, Cornerstone.

The database as received by P&E contains assay results from 48,432 m of drilling in 82 drillholes completed by Thundermin and Cornerstone since June 2007, and assay data from a total of 102 surface and 122 underground historical holes that were drilled by BRINEX between 1961 and 1970 and Mutapa Gold Corporation between 1998 and 2000. The historical information was recovered from the archives of the Newfoundland and Labrador Department of Natural Resources in St. John’s, Newfoundland and Labrador (Table 14.3).

<table>
<thead>
<tr>
<th>Table 14.3 DRILLHOLE DATABASE SUMMARY</th>
</tr>
</thead>
<tbody>
<tr>
<td>Type</td>
</tr>
<tr>
<td>--------------------------</td>
</tr>
<tr>
<td>Historical Surface Drilling</td>
</tr>
<tr>
<td>Historical Underground Drilling</td>
</tr>
<tr>
<td>Current Surface Drilling</td>
</tr>
<tr>
<td>Total</td>
</tr>
</tbody>
</table>

14.4 DATABASE VALIDATION

Industry standard validation checks were completed on the supplied databases with no assay entry errors detected. P&E typically validates a mineral resource database by checking for inconsistencies in naming conventions or analytical units, duplicate entries, interval, length or distance values less than or equal to zero, blank or zero-value assay results, out-of-sequence intervals, intervals or distances greater than the reported drill hole length, inappropriate collar locations, and missing interval and coordinate fields. No significant validation errors were noted. P&E believes that the supplied database is suitable for mineral resource estimation.
14.5 BULK DENSITY

The supplied database contains a total of 1,701 bulk density measurements undertaken at the project site by the clients. The supplied bulk density measurements were used to estimate block density values (Table 14.4).

<table>
<thead>
<tr>
<th></th>
<th>All</th>
<th>Waste</th>
<th>Little Deer</th>
<th>Footwall</th>
<th>Splay</th>
</tr>
</thead>
<tbody>
<tr>
<td>Mean (t/m³)</td>
<td>3.00</td>
<td>2.98</td>
<td>3.05</td>
<td>2.99</td>
<td>3.06</td>
</tr>
<tr>
<td>Median (t/m³)</td>
<td>2.96</td>
<td>2.95</td>
<td>3.00</td>
<td>2.95</td>
<td>3.02</td>
</tr>
<tr>
<td>Mode (t/m³)</td>
<td>2.94</td>
<td>2.95</td>
<td>2.91</td>
<td>2.94</td>
<td>2.94</td>
</tr>
<tr>
<td>Standard Deviation</td>
<td>0.16</td>
<td>0.14</td>
<td>0.20</td>
<td>0.16</td>
<td>0.15</td>
</tr>
<tr>
<td>Sample Variance</td>
<td>0.03</td>
<td>0.02</td>
<td>0.04</td>
<td>0.02</td>
<td>0.02</td>
</tr>
<tr>
<td>Range</td>
<td>1.18</td>
<td>1.11</td>
<td>1.18</td>
<td>1.13</td>
<td>0.97</td>
</tr>
<tr>
<td>Minimum</td>
<td>2.72</td>
<td>2.73</td>
<td>2.72</td>
<td>2.72</td>
<td>2.81</td>
</tr>
<tr>
<td>Maximum</td>
<td>3.90</td>
<td>3.84</td>
<td>3.90</td>
<td>3.85</td>
<td>3.79</td>
</tr>
<tr>
<td>Count</td>
<td>1701</td>
<td>959</td>
<td>315</td>
<td>284</td>
<td>143</td>
</tr>
</tbody>
</table>

14.6 DOMAIN MODELING

Three mineralization domain models have been identified for the Little Deer deposit, named the Little Deer, Footwall and the Little Deer Footwall Splay. Domain models were generated by P&E from cross sectional polylines spaced every ten metres and oriented perpendicular to the trend of the mineralization. The outlines of the polylines were determined by selecting Cu assay grades equal to or greater than 1.0 % Cu with demonstrated continuity along strike and down dip, and include low-grade material where necessary to maintain continuity between sections. All polyline vertices were 3D snapped directly to drillhole assay intervals, in order to generate a true three-dimensional representation of the extent of the mineralization. Domain wireframes were then clipped above the topographic surface. The resulting domains were used for rock coding, statistical analysis and compositing limits (Figure 14.1).
14.7 COMPOSITING

Assay sample lengths ranged from 0.25 m to 5.30 m, with an average sample length of 1.37 m (Figure 14.2). Two distinct sample length populations are evident, however, averaging 1.00 m and 1.60 m. In order to ensure equal sample support a compositing length of 2.00 m was therefore selected for use for mineral resource estimation.

Figure 14.2 Assay Sample Length Histogram

Length-weighted composites were calculated within the defined domains. The compositing process started at the first point of intersection between the drillhole and the domain intersected, and halted upon exit from the domain wireframe. The wireframes that represented the interpreted domains were also used to back-tag a rock code field into the drillhole workspace. Assays and
composites were assigned a domain rock code value based on the domain wireframe that the interval midpoint fell within. A nominal grade of 0.001% Cu was used to populate a small number of unsampled intervals. Composites that were less than 0.50 m in length were discarded so as to not introduce a short sample bias into the estimation process. The composite data were then exported to extraction files for grade estimation.

**14.8 COMPOSITE SUMMARY STATISTICS**

P&E generated summary statistics for 890 composite samples from the Little Deer domain, 164 composite samples from the Footwall domain, and 77 composite samples from the Splay domain. P&E also computed multiple declustered means over a range of cell sizes in order to provide accurate grades for model comparison and validation (Table 14.5).

<table>
<thead>
<tr>
<th>Table 14.5: Domain Composite Summary Statistics</th>
</tr>
</thead>
<tbody>
<tr>
<td>Total</td>
</tr>
<tr>
<td>-------</td>
</tr>
<tr>
<td>Mean</td>
</tr>
<tr>
<td>Declustered Mean</td>
</tr>
<tr>
<td>CV</td>
</tr>
<tr>
<td>Median</td>
</tr>
<tr>
<td>Standard Deviation</td>
</tr>
<tr>
<td>Sample Variance</td>
</tr>
<tr>
<td>Kurtosis</td>
</tr>
<tr>
<td>Skewness</td>
</tr>
<tr>
<td>Range</td>
</tr>
<tr>
<td>Minimum</td>
</tr>
<tr>
<td>Maximum</td>
</tr>
<tr>
<td>Count</td>
</tr>
</tbody>
</table>

**14.9 TREATMENT OF EXTREME VALUES**

The presence of high-grade outliers for the composite data was evaluated by a combination of decile analysis and review of probability plots. Decile analysis results indicate that minimal capping is required, with 20% of the mineral content contained in the upper decile and 6% in the upper percentile for Cu. (Figure 14.3). One composite grade was capped to the selected 15% Cu threshold value prior to estimation.
14.10 CONTINUITY ANALYSIS

Domain-coded, composited sample data were used for continuity analysis. Strike orientations for the domains were modeled using the known geometry of the mineralization. Dip and dip plane orientations were modeled using orientations developed from variogram fans, which were assessed for geological reasonableness. Normal-scores experimental semi-variograms aligned with the best-fit orientation of the mineralization were then generated (Figure 14.4). Variogram model ranges were checked and iteratively refined for each model. The nugget effect for each vein was derived from the down hole experimental semi-variogram. Rotation is defined by the Gemcom ADA convention in the defined block model space, and the variance contributions were back-transformed and checked relative to the mineralization.
Based on the analysis of the resulting experimental semi-variograms, a strike range of 40.0 m, a dip range of 40.0 m, and a cross-strike range of 10.0 m was selected as appropriate for mineral resource estimation. Continuity ellipses based on the observed ranges were then generated and used as the basis for estimation search ranges, distance calculations and mineral resource classification criteria. Anisotropy was modeled with an average strike azimuth of 260°, -80° down dip on an azimuth of 170° and +10° across strike on an azimuth of 170°.

14.11 BLOCK MODEL

A rotated block model was established across the property with the block model limits selected so as to cover the extent of the mineralized domains, and the block size reflecting the generally narrow widths of the mineralized zones and the drill hole spacing (Table 14.6). The block model consists of separate models for estimated grade, rock code, percent, density and classification attributes. A percent block model was used to accurately represent the volume and tonnage that was contained within the constraining grade domains. As a result, the mineral resource boundaries were properly represented by the percent model’s capacity to measure infinitely variable inclusion percentages. The volume represented by the historical underground workings was subsequently depleted from the model.
**TABLE 14.6**
**BLOCK MODEL SETUP**

<table>
<thead>
<tr>
<th>Dimension</th>
<th>Origin</th>
<th>Number of Blocks</th>
<th>Block Size (m)</th>
</tr>
</thead>
<tbody>
<tr>
<td>X</td>
<td>569,900</td>
<td>360</td>
<td>5</td>
</tr>
<tr>
<td>Y</td>
<td>5,492,200</td>
<td>120</td>
<td>5</td>
</tr>
<tr>
<td>Z</td>
<td>-1000</td>
<td>240</td>
<td>5</td>
</tr>
<tr>
<td>Rotation</td>
<td>30° CCW</td>
<td></td>
<td></td>
</tr>
</tbody>
</table>

14.12 RESOURCE ESTIMATION & CLASSIFICATION

Block bulk density values were calculated using a single pass. Anisotropic inverse distance squared (“ID2”) linear weighting of between three and six bulk density values was used for the estimation of individual block bulk density values.

Ordinary Kriging (“OK”) of capped composite values was used for the estimation of block grades, with the anisotropy defined by the axes of the search ellipse. A two-pass series of expanding search volumes with varying minimum sample requirements was used for sample selection, grade estimation and classification. Composite data used during grade estimation were restricted to samples located within their respective domains.

During the first pass, three to six composites from two or more drillholes within a search ellipsoid of 40.0 m x 40.0 m x 10.0 m were required for grade block estimation.

During the second pass, three to six composites from one or more drillholes were required for grade block estimation. The search ellipse was expanded to ensure that all blocks within the defined mineralization domains were estimated.

Mineral resources were classified in accordance with guidelines established by the Canadian Institute of Mining, Metallurgy and Petroleum:

- **Indicated Mineral Resource**: “An ‘Indicated Mineral Resource’ is that part of a mineral resource for which quantity, grade or quality, densities, shape and physical characteristics, can be estimated with a level of confidence sufficient to allow the appropriate application of technical and economic parameters, to support mine planning and evaluation of the economic viability of the deposit. The estimate is based on detailed and reliable exploration and testing information gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes that are spaced closely enough for geological and grade continuity to be reasonably assumed.”

- **Inferred Mineral Resource**: “An ‘Inferred Mineral Resource’ is that part of a mineral resource for which quantity and grade or quality can be estimated on the basis of geological evidence and limited sampling and reasonably assumed, but not verified, geological and grade continuity. The estimate is based on limited information and sampling gathered through appropriate techniques from locations such as outcrops, trenches, pits, workings and drillholes.”

Mineral resource classification was implemented by generating three-dimensional envelopes around those parts of the block model for which the drillhole data and grade estimates met the
required continuity criteria. The resulting classifications were iteratively refined until they were geologically reasonable in order to prevent the generation of small, discontinuous areas of a higher confidence category being separated by a larger area of a lower confidence areas.

Indicated resources were defined based on the results of the first pass, and then consolidated into an envelope digitized around the central area of blocks estimated during this pass. This process downgraded scattered and isolated higher confidence blocks and combined Indicated mineral resources into a continuous unit, and upgrade scattered and isolated Inferred mineral resources surrounded by higher confidence blocks. All remaining blocks estimated were classified as Inferred, including all blocks in the Footwall and Splay domains (Figure 14.5).

**Figure 14.5  Isometric Projection of Block Classification**

![Isometric Projection of Block Classification](image)

### 14.13 MINERAL RESOURCE ESTIMATE

The mineral resource estimate for the Little Deer deposit is reported at a cutoff grade of 1.0 % Cu (Table 14.7), with an effective date of June 18, 2011.
### TABLE 14.7
**SUMMARY OF LITTLE DEER MINERAL RESOURCES**

<table>
<thead>
<tr>
<th>Resource Classification/Zone</th>
<th>Tonnes</th>
<th>Cu%</th>
<th>Cu lbs. (M)</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>Indicated Mineral Resources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Little Deer Zone</td>
<td>1,911,000</td>
<td>2.37</td>
<td>99.8</td>
</tr>
<tr>
<td><strong>Inferred Mineral Resources</strong></td>
<td></td>
<td></td>
<td></td>
</tr>
<tr>
<td>Little Deer Zone</td>
<td>1,240,000</td>
<td>1.93</td>
<td>52.8</td>
</tr>
<tr>
<td>Little Deer Footwall Zone</td>
<td>1,711,000</td>
<td>2.04</td>
<td>77.0</td>
</tr>
<tr>
<td>Little Deer Footwall Zone Splay</td>
<td>797,000</td>
<td>2.64</td>
<td>46.2</td>
</tr>
<tr>
<td><strong>Total Inferred Resources</strong></td>
<td>3,748,000</td>
<td>2.13</td>
<td>175.9</td>
</tr>
</tbody>
</table>

(1) Mineral resources which are not mineral reserves do not have demonstrated economic viability. The estimate of mineral resources may be materially affected by environmental, permitting, legal, title, taxation, socio-political, marketing, or other relevant issues.

(2) The quantity and grade of reported Inferred resources in this estimation are uncertain in nature and there has been insufficient exploration to define these Inferred resources as an Indicated or Measured mineral resource and it is uncertain if further exploration will result in upgrading them to an Indicated or Measured mineral resource category.

(3) The mineral resources in this press release were estimated using the Canadian Institute of Mining, Metallurgy and Petroleum (CIM), CIM Standards on Mineral Resources and Reserves, Definitions and Guidelines prepared by the CIM Standing Committee on Reserve Definitions and adopted by CIM Council.

(4) Ordinary Kriging was used for Cu grade interpolation.

(5) Grade capping of 15% Cu utilized on composites.

(6) A variable bulk density based on numerous field measurements was used for tonnage calculations.

(7) A copper price of US$3.42/lb. (May 31 2011 24 month trailing average) and an exchange rate of US$0.95US=C$1.00 was utilized to derive the 1% Cu cut-off grade. Mining costs were C$40/t, process costs were C$15/t and G&A was C$5/t. Concentrate freight and smelter treatment charges were C$10/t mined. Concentrate mass pull was 7%, process recovery was 97%, smelter payable was 96% and Cu refining was US$0.07/lb.

### 14.14 VALIDATION

The block model was validated visually by the inspection of successive section lines in order to confirm that the block model correctly reflects the distribution of high-grade and low-grade samples. Local trends were evaluated by comparing the OK block estimates to a nearest neighbor estimate (“NN”) at zero cut-off along the strike of the Little Deer deposit (Figure 14.6). In general the OK block estimates are in good agreement with the NN estimates, and demonstrate no evidence of systematic bias in the model.
As a further check on the model the average model block grade was compared to the NN block average as well as the declustered mean and the average of the composite data. No significant bias between the block model and the input data was noted (Table 14.8).

<table>
<thead>
<tr>
<th>Domain</th>
<th>Model Average Cu %</th>
<th>NN Average Cu %</th>
<th>Declustered Mean Cu %</th>
<th>Composite Average Cu %</th>
</tr>
</thead>
<tbody>
<tr>
<td>Little Deer</td>
<td>1.65</td>
<td>1.65</td>
<td>1.57</td>
<td>1.86</td>
</tr>
<tr>
<td>Footwall</td>
<td>1.77</td>
<td>2.26</td>
<td>1.85</td>
<td>1.54</td>
</tr>
<tr>
<td>Splay</td>
<td>2.44</td>
<td>2.35</td>
<td>2.24</td>
<td>2.16</td>
</tr>
<tr>
<td>Total</td>
<td><strong>1.90</strong></td>
<td><strong>1.90</strong></td>
<td><strong>1.65</strong></td>
<td><strong>1.84</strong></td>
</tr>
</tbody>
</table>
15.0 MINERAL RESERVE ESTIMATES

This section is not applicable to the current report.
16.0 MINING METHODS

There was no current mining activity at the time of this report. For historic mining activities, refer to Section 6.0.
17.0 RECOVERY METHODS

This section is not applicable to the current report.
18.0 PROJECT INFRASTRUCTURE

The Little Deer Copper Deposit is located on a brownfield site and is well situated to take advantage of Newfoundland’s developed infrastructure. The Deposit lies approximately 16 km from the Trans-Canada Highway and is easily accessed by a 10 km network of paved and gravel roads north of Springdale, where there is an available skilled mining workforce. The site is approximately 8 km from a major power substation and there is a plentiful supply of fresh water in the area. The former tailings impoundment facility for the Whalesback Mine, which may be able to be upgraded and used to store additional tailings, is located only 1.2 km north of the Deposit. There is also good access to several deep water ports for any future shipment of copper concentrates. The Duck Pond base metal concentrator, which is owned by Teck Resources Inc., is located approximately 165 km by paved and gravel roads from the Little Deer site, 70 km of which is along the Trans-Canada Highway and 65 km of which is on a secondary paved road.

The recovery of a substantial quantity of archived data, referenced earlier in this report, has also given Thundermin and Cornerstone a better understanding of the underground infrastructure that exists on the property. This infrastructure dates from 1966 to 1972 and 1972 to 1974 when a portion of the upper part of the Deposit was developed and mined by BRINEX and Green Bay Mining Company (“Green Bay”), respectively. BRINEX accessed the Deposit from the adjoining Whalesback Mine, which is also controlled by Thundermin and Cornerstone, and Green Bay accessed the Deposit via a ramp. Three ventilation raises and substantial lateral development in unmined copper mineralization are known to exist on the property. This existing infrastructure may potentially afford substantial cost savings for access underground for future definition drilling and mining.
19.0 MARKET STUDIES AND CONTRACTS

This section is not applicable to the current report.
20.0 ENVIRONMENTAL STUDIES, PERMITTING AND SOCIAL OR COMMUNITY IMPACT

Mining activity has taken place on the Whalesback and Little Deer portions of the land holdings. Although the mineral rights of both the Whalesback and Little Deer mine areas are encompassed in the joint venture agreement, the surface rights are held by the Crown. Consequently, management and remediation of the Whalesback mine is currently the responsibility of the Newfoundland and Labrador Department of Natural Resources, who is completing remediation activities on an on-going basis. The mineralization that was removed from the Little Deer mine was accessed via the Whalesback mine workings and few surface facilities were required apart from a few ventilation raises and an adit for a ramp. Some remediation work has been conducted by the Newfoundland and Labrador Department of Natural Resources and includes the capping of a ventilation raise, removing the portal/adit infrastructure and backfilling the area in order to mitigate any safety hazards.

In August of 2010, SGS Mineral Services was commissioned by Thundermin to complete a basic environmental characterization of the tailings produced during scoping level flotation testing of an ore composite from the Little Deer deposit (described in Section 13). The Little Deer flotation tailings (LCT-2 Comb TIs) were found to be potentially acid generating confirmed by Net Acid Generation (NAG) testing. An analysis of the fresh and aged tailings decant solutions reported all controlled parameters at concentrations well within the federal Metal Mining Effluent Regulations (“MMER”) limits. The results of this work is contained in a report dated August 18, 2010 and titled “An Investigation into Scoping Level Environmental Characterisation of Little Deer Flotation Tailings prepared for Thundermin Resources Inc.” (Bowman and Caldwell, 2010).

The Little Deer flotation tailings (LCT-2 Comb TIs) were found to be potentially acid generating as confirmed by acid-base accounting and Net Acid Generation (NAG) testing. Analyses of the fresh and aged tailings decant solutions reported all controlled parameters at concentrations below Metal Mining Effluent Regulation (MMER) limits. Also the aged tailings decant solution was determined to be acutely non-toxic to Daphnia Magna and Rainbow Trout. The environmental test results indicate minor environmental concerns for tailings management. However, the presence of pyrrhotite and the measured acid generation potential exceeding neutralisation potential by 2:1 suggest the need to include ‘kinetic’ tailings testwork in future investigations. Kinetic tests simulate oxidising exposure of tailings.
21.0  CAPITAL AND OPERATING COSTS

This section is not applicable to the current report.
22.0 ECONOMIC ANALYSIS

This section is not applicable to the current report.
23.0 ADJACENT PROPERTIES

There are no adjacent properties which materially affect the Little Deer property. The Joint Venture controls or is earning into mineral licences covering a significant portion of the along-strike extension of the host lithologies and/or structures found on the Little Deer deposit.
24.0 OTHER RELEVANT DATA AND INFORMATION

P&E is not aware of any other relevant data or information as of the effective date of this report.
25.0 INTERPRETATION AND CONCLUSIONS

The Little Deer VMS copper deposit occurs within the Cambro-Ordovician Lushs Bight Group sequence of ophiolitic intermediate to mafic volcanic rocks. The main sulphide mineralization consists of disseminated, stringer, and semi-massive to massive pyrite, pyrrhotite and chalcopyrite with minor sphalerite.

The Little Deer Deposit was modeled in compliance with the CIM Definitions and Standards on Mineral Resources and Mineral Reserves, December 11, 2005. National Instrument 43-101 reporting standards and formats were followed in this document in order to report the mineral resource in a fully compliant manner.

Diamond drill data from 48,432 m of drilling in 82 drillholes completed by Thundermin and Cornerstone since June 2007, and assay data from a total of 102 surface and 122 underground historical holes that were drilled by BRINEX between 1961 and 1970 and Mutapa Gold Corporation between 1998 and 2000 were used for the Resource Estimate.

Exploration drilling can extend the known pay-shoots at depth and infill drilling can convert Inferred resource to Indicated Resources.
26.0 RECOMMENDATIONS

Thundermin and Cornerstone recommend the following approximately $2.0 M on-going exploration program for the Little Deer Copper Deposit for the period October 1, 2011 to June 30, 2012.

- A small program involving the re-assaying of standards and other check samples using aqua regia and four acid digestion to try and determine if the estimated resource grade may, in fact, be higher than estimated as discussed in Section 12.2.1 of this report.
- Additional diamond drilling is planned to test for extensions of the copper mineralization at depth and along strike. Infill diamond drilling on approximately 50 m centres is also planned to upgrade the Inferred Resources to the Indicated Resource category. The infill drilling, which will be required in order to undertake a pre-feasibility or feasibility study on the Deposit, will commence at shallower levels of the Deposit and proceed to depth.
- Borehole Pulse EM surveys on selected deep drill holes.
- Differential GPS surveys on all new drill holes.
- Revised NI 43-101 mineral resource estimate following completion of the recommended diamond drill program.

It is anticipated that this work will be undertaken in two phases: Phase 1 (approx. October 1 to December 31, 2011 and Phase 2 (February 1 to June 30, 2012), as shown in Table 26.1.

<table>
<thead>
<tr>
<th>Phase 1</th>
<th>CAD$</th>
</tr>
</thead>
<tbody>
<tr>
<td>4,500 m of diamond drilling at $120.00 per m</td>
<td>540,000</td>
</tr>
<tr>
<td>Differential GPS surveying of all new drill holes</td>
<td>2,500</td>
</tr>
<tr>
<td>Re-assaying</td>
<td>500</td>
</tr>
<tr>
<td><strong>Total Phase 1</strong></td>
<td><strong>543,000</strong></td>
</tr>
</tbody>
</table>

<table>
<thead>
<tr>
<th>Phase 2</th>
<th>CAD$</th>
</tr>
</thead>
<tbody>
<tr>
<td>12,000 m of diamond drilling at $120.00 per m</td>
<td>1,440,000</td>
</tr>
<tr>
<td>Differential GPS surveying of all new drill holes</td>
<td>3,000</td>
</tr>
<tr>
<td>Borehole Pulse EM surveys on 5-6 holes</td>
<td>40,000</td>
</tr>
<tr>
<td>Revised NI 43-101 Mineral Resource estimate</td>
<td>25,000</td>
</tr>
<tr>
<td><strong>Total Phase 2</strong></td>
<td><strong>1,508,000</strong></td>
</tr>
</tbody>
</table>

The estimated drilling costs are “all-in” costs and include direct drilling costs, salaries and wages, assaying, room and board, truck rentals, management fees etc.
27.0 REFERENCES


28.0 CERTIFICATES

CERTIFICATE OF QUALIFIED PERSON

EUGENE J. PURITCH, P. ENG.

1. I am Eugene J. Puritch, P.Eng., residing at 44 Turtlecreek Blvd., Brampton, Ontario, L6W 3X7, do hereby certify that:

   1. I am President of P & E Mining Consultants Inc. and am contracted independently by Thundermin Resources Inc. and Cornerstone Resources Inc.


3. I am a graduate of The Haileybury School of Mines, with a Technologist Diploma in Mining, as well as obtaining an additional year of undergraduate education in Mine Engineering at Queen’s University. In addition I have also met the Professional Engineers of Ontario Academic Requirement Committee’s Examination requirement for Bachelor’s Degree in Engineering Equivalency. I am a mining consultant currently licensed by the Professional Engineers of Ontario (License No. 100014010). I am also registered in the Province of Saskatchewan (APEGS No. 16216) and the Province of Newfoundland and Labrador (PEG No. 05998) and registered with the Ontario Association of Certified Engineering Technicians and Technologists as a Senior Engineering Technologist. I am also a member of the National and Toronto Canadian Institute of Mining and Metallurgy.

   I have read the definition of “qualified person” set out in National Instrument 43-101 (“NI 43-101”) and certify that, by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.

   I have practiced my profession continuously since 1978. My summarized career experience is as follows:

   • Mining Technologist - H.B.M. & S. and Inco Ltd. ................................................................. 1978-1980
   • Open Pit Mine Engineer – Cassiar Asbestos/Brinco Ltd. .................................................. 1981-1983
   • Pit Engineer/Drill & Blast Supervisor – Detour Lake Mine ................................................. 1984-1986
   • Self-Employed: Mining Consultant – Timmins Area ......................................................... 1987-1988
   • Self-Employed: Mining Consultant/Resource-Reserve Estimator ....................................... 1995-2004
   • President – P & E Mining Consultants Inc ........................................................................... 2004-Present

4. I am responsible for authoring Sections 11 through 21 and Sections 23 through 25 of the Technical Report.

5. I have visited the Property on May 16, 2011.

6. I have had no prior involvement with the Property that is the subject of this Technical Report.

7. As of the date of this certificate, to the best of my knowledge, information and belief, the technical report contains all scientific and technical information that is required to be disclosed to make the technical report not misleading.

8. I am independent of the issuer applying the test in Section 1.4 of NI 43-101.

9. I have read NI 43-101 and Form 43-101F1 and the Technical Report has been prepared in compliance therewith.

Effective Date: July 4, 2011
Signed Date: August 5, 2011

{SIGNED AND SEALED}

[Eugene J. Puritch]

Eugene J. Puritch, P.Eng
CERTIFICATE OF QUALIFIED PERSON

WAYNE D. EWERT, P.GEO.

I, Wayne D. Ewert, P.Geo., residing at 10 Langford Court, Brampton, Ontario, L6W 4K4, do hereby certify that:

1. I am a principal of P & E Mining Consultants Inc. who has been contracted by Thundermin Resources Inc. and Cornerstone Resources Inc.


3. I graduated with an Honours Bachelor of Science degree in Geology from the University of Waterloo in 1970 and with a PhD degree in Geology from Carleton University in 1977. I have worked as a geologist for a total of 42 years since obtaining my B.Sc. degree. I am a P. Geo., registered in the Province of Saskatchewan (APEGS No. 16217), British Columbia (APEGBC No. 18965), the Province of Ontario (APGO No. 08666) and the Province of Newfoundland and Labrador (PEG No. 06005).

I have read the definition of “qualified person” set out in National Instrument 43-101 ("NI 43-101") and certify that by reason of my education, affiliation with a professional association (as defined in NI 43-101) and past relevant work experience, I fulfill the requirements to be a “qualified person” for the purposes of NI 43-101.

My relevant experience for the purpose of the Technical Report is:

- Principal, P&E Mining Consultants Inc. ................................................................. 2004 – Present
- Regional Manager, Gold Fields Canadian Mining Limited........................................ 1986 – 1987
- Supervising Project Geologist, Getty Mines Ltd. ..................................................... 1982 – 1986
- Supervising Project Geologist III, Cominco Ltd. ..................................................... 1976 – 1982

4. I have not visited the Property that is the subject of this Technical Report.

5. I am responsible for authoring Sections 1 through 10, 22, and 26 of this Technical Report.


7. I have not had prior involvement with the project that is the subject of this Technical Report.

8. I have read NI 43-101 and Form 43-101F1 and the Technical Report has been prepared in compliance therewith.

9. As of the date of this certificate, to the best of my knowledge, information and belief, the Technical Report contains all scientific and technical information that is required to be disclosed to make the Technical Report not misleading.

Effective Date: July 4, 2011
Signed Date: August 5, 2011

{SIGNED AND SEALED}
[Wayne Ewert]

Dr. Wayne D. Ewert P.Geo.