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Date : June 9, 2004

Cornerstone May Have Found Another Voisey's Bay Very Close To The Original One.

It can be argued that Cornerstone Capital Resources has a lot in common with Altius Minerals which presented at our last Minesite Forum. Both focus their activities in the Canadian province of Newfoundland and Labrador which they consider to be under explored by Canadian standards and one that has outstanding geological potential. Both also conserve funds, maximise exposure to exploration success and limit geological risk by entering into joint ventures on selected projects which they then operate. At this point there is a fascinating variation. Altius has acquired a part interest in a royalty on the world class Voisey's Bay nickel mine in Labrador which Inco is due to bring into production in 2006. Cornerstone, on the other hand, has acquired a property near Voisey's Bay which may cover a western extension of the troctolitic feeder system which hosts the main deposit.

A first reaction is that the area around Voisey's Bay is bound to have been explored with a fine tooth comb. Not so. Agreed, during the exploration boom that resulted from this great discovery by DiamondFields in 1993, over 500 airborne surveys were flown in the area, but much of the data was not systematically evaluated or followed up on the ground. Cornerstone therefore decided towards the end of last year to download the digital data and re-process all of these surveys. The geological team then embarked on a major compilation exercise of all known information in the area with the intention of looking for new, Voisey's Bay type targets. The recent staking of Konrad, a 265 sq kms property only 30 kms west of Voisey's Bay, is the result and more claims may follow.

A major ground programme will start as soon as possible, but already a number of leading nickel producers have been showing considerable interest. As the old man said, "if you want to find a new deposit, go and look close to an existing mine." Jonathan Challis the president of Cornerstone is well known in London mining circles He is well aware of Konrad's potential and will be cutting a hard deal on this one. The homework carried out by his geological team has been meticulous since they noted that only 7 kms of the 18 kms strike length of the extension had been covered by the airborne EM/Mag survey and that a single hole was drilled by one company, but as it was simply checking geology it did not carry out any test work on the core or the

MINESITE BULLION PRICES

	Bid	Ask
Gold	412.65	413.15
Silver	6.65	6.68
Platinum	847	852
Palladium	215	221
Gold Aussie \$	577.62	578.56
Gold Canadian \$	524.68	525.49
Gold Euro	335.35	335.84
Gold Rand	2,658.7	2,664.0
Gold Sterling	229.54	229.87
Gold Silver Ratio	61.77	62.13

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There is always the possibility that the private company Peregrine Diamonds may become involved as it has the rights to Falcon™ technology in North America. This technology is based on gravity measurements and is proving its worth in exploration for base metals as well as diamonds and gold. Jonathan Challis is a director of the company as is Eric Friedland and they worked together at Diamondworks after brother Robert discovered Voisey's Bay and sold it on to Inco. Undoubtedly this relationship must have fired a determination to make a return to the scene of earlier success.

Konrad apart, more than C\$3 million will be spent on Cornerstone's properties during 2004, of which around 73 per cent will be the contributed by the company's joint venture partners. The core property portfolio consists of 13 gold properties and 3 base metal properties and 12.000 metres of drilling will take place on 8 with Cornerstone as operator on most of them This will include a second phase drill programme at the Colchester joint venture with Sudbury Contact Mines to follow up high-grade gold-copper-zinc assays received from 2003 drilling. The True Grit gold JV with Moydow Mines International will be targeted by a third phase drill programme and Thundermin Resources has confirmed plans for first stage drill programmes on both the Cape Ray and Green Bay gold properties.

Candente Resources has confirmed plans to drill several targets on the Paul's Pond property. On the Noel Paul's Brook property, Inmet Mining has committed to drill-testing a number of geophysical anomalies generated by a deep-seeking TDEM survey completed in 2003. Kermode Resources intends to follow-up recent promising results on its Jackson's Arm property with limited drilling on Cornerstone's adjacent Coney Arm JV property. This should ensure a busy news flow from Cornerstone for the rest of this year and it is clear that the comprehensive restructuring of its finances, management and approach to exploration carried out last year is now paying off.