

MINTO PROPERTY

Sherwood Copper Corp.

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Corporate headquarters

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Stock symbol: SWC (Toronto Venture Exchange)

PROJECT STATUS

Open-pit mine



Location

240 km northwest of Whitehorse

Ownership

Sherwood Copper Corporation

Commodities

Copper, silver, gold

Ore type

Sulphide

Mineral resource* – All deposits (at a 0.5% copper cut-off)

Measured Resource: 11.460 million tonnes grading
1.77% Cu, 0.66 g/t Au and 6.86 g/t Ag

Indicated Resource: 7.830 million tonnes grading
0.91% Cu, 0.29 g/t Au and 3.24 g/t Ag

Inferred Resource: 15.070 million tonnes grading
0.88% Cu, 0.25 g/t Au and 2.61 g/t Ag

*NI 43-101-compliant Technical Report by SRK
Consulting (Canada) Inc., June, 2008

Mineable reserves* – All deposits (at a 0.62% copper cut-off)

Proven Reserve: 8.219 million tonnes grading
2.01% Cu, 0.77 g/t Au and 7.98 g/t Ag

Probable Reserve: 0.910 million tonnes grading
1.24% Cu, 0.46 g/t Au and 5.40 g/t Ag

*NI 43-101-compliant Technical Report by SRK
Consulting (Canada) Inc., June, 2008

Mining method

Year-round open-pit

Mine life

8 years; 10-year mill-life to process stockpile
(These figures are presently being recalculated
based on 2007 and 2008 exploration and mining
data.)

Employees

100+

Power

24.6 million kilowatt-hours (kWh) for year 1 and
32.5 million kWh for year 2 and beyond - diesel
generation at the mine. Planned hookup to
Carmacks-Pelly Crossing powerline, scheduled for
late 2008.

HISTORY

Anomalous copper concentrations were first detected during a program of stream sediment sampling in the Minto area in 1970. In 1971, the Minto claim group was staked by Asarco Inc./Silver Standard Mines Ltd., and the DEF claim group was staked to the north of, and adjoining, the Minto claim group by an exploration consortium managed by United Keno Hill Mines Ltd. (UKHM). Both properties were explored from 1972 to 1974. A feasibility study was completed under the joint direction of Asarco Inc. and United Keno Hill Mines Ltd. in 1976, but the project did not proceed due to poor indicated financial returns. Drill programs were conducted in 1984 and 1985 by United Keno Hill Mines Ltd. The UKHM holdings were later acquired by Falconbridge Limited.

Teck Corp. and Asarco each sold their interest in the Minto claims to Minto Explorations for shares in the company, and provided initial working capital of \$375 000 by purchasing further shares. An agreement was signed with Falconbridge Ltd. for the acquisition of the DEF claims and leases in June, 1993. Falconbridge retained the right to repurchase the claims from Minto at a later date. A detailed feasibility study for the Minto project was completed in 1995.

In October, 2004, Minto Exploration reached an agreement with Asarco and Falconbridge for the sale of all shares of the company. In March 2005, Sherwood Mining Corporation made a successful take-over offer for Minto Exploration Ltd., and consolidated ownership of the Minto project. Sherwood Mining changed its name to Sherwood Copper Corporation in September, 2005 and completed another feasibility study in July, 2006. The company achieved commercial production on October 1, 2007.

In September, 2008, Sherwood Copper announced that they had entered into a Letter of Agreement with Capstone Mining Corporation to merge both companies into one entity.

DEVELOPMENT

Construction and development from 1996 to 2000 included building a mine access road and bridge; preparing sites for a permanent camp and mill; and the purchase of two mills. The permitting process for the Minto project was completed during this time, with the granting of a Type A Water Use License in 1998 and a

production license in 1999, after which, construction commenced. Construction was suspended as a result of depressed copper prices after expenditures of approximately \$10-million. Limited care and maintenance work was carried out in 2001 and 2002.

Following acquisition of the Minto Project in 2005, Sherwood Copper Corp proceeded to re-drill the deposit to modern reserve standards. In September, 2005, Sherwood Copper was granted a 10-year extension of the Type A water licence for its Minto project, and was granted an amendment to its quartz mining license in January 2007, extending the expiry date to June 30, 2016.

Civil construction work began at the Minto site in 2006, with rehabilitation of the airstrip and its access road, construction of access roads to waste dumps, site preparation work for the camp expansion and fuel tank farm, construction of the water management facilities and provision of office facilities.

The Detailed Feasibility Study prepared by Hatch Ltd. in July, 2006 re-evaluated the development of the Minto project, and incorporated several changes to previous designs. Most significant among the changes are accelerated pre-stripping to access high grades sooner, boosting near-term production, expansion of the mill by more than 50% during the first year of operations, and stockpiling of all low-grade (less than 1% copper) material during the first six years of operations in order to maintain head grades in the 2.5% Cu range.

Extensive exploratory drilling in 2007 and 2008 and nearly 2 years of production statistics has led the company to begin updating its mine feasibility study with the hope of converting more resource tonnage to reserves. The study which is being undertaken by SRK Consulting (Canada) Inc., will accommodate the following recent developments: 1) conversion of a portion of the Area 2 resource to reserves; 2) improved geotechnical information enhancing pit optimization; 3) conversion of the mine-planning model to a net smelter return (NSR) basis; 4) increased mill throughput; 5) provision of grid power; and, 6) update of the Minto mine cost assumptions based on actual contract terms for services and supplies.

In September, 2007, Sherwood Copper announced that phase 1 construction of the Minto mine had been completed ahead of schedule and essentially on budget. The August, 2006 feasibility study reported capital costs of \$98.1 million for the phase 1 construction of the Minto mine, including contingencies and owner costs; actual

costs totalled \$100.2 million or just 2% over the feasibility budget.

Commercial production was attained on October 1, 2007. In December 2007 the company announced that they had completed Phase 2 mill expansion bringing daily mill production to 2400 tonnes of ore per day. In July, 2008, Sherwood Copper received an amendment to its Quartz Mining License from the Yukon government to increase mining and mill production to 3200 tonnes per day. The expansion should be complete by the end of 2008.

PROJECT SUMMARY

Sherwood Copper Corp. officially opened the Minto mine on October 11, 2007, the first hard rock mine in the Yukon Territory since the Brewery Creek mine closed in 2002. The Minto mine is an open-pit mining operation with conventional crushing, grinding, and flotation to produce copper concentrates with significant gold and silver credits.

The Minto property is located approximately 240 km northwest of Whitehorse, on the west side of the Yukon River. The orebody is located in the upper reaches of the Minto Creek watershed, approximately 10 km upstream of the Yukon River confluence, at an elevation of 2660 to 2900 feet (811 to 884 m). Access is by barge across the Yukon River in summer (ice road in winter) from Minto Landing, then via road.

The Minto project currently employs 100+ people. The Minto project is situated on traditional Selkirk First Nation land. The Selkirk First Nation selected an area surrounding the property as Category A Settlement Land under an agreement negotiated with the Government of Canada and the Government of Yukon. The title to the mining claims and leases and the access road right-of-way held by Minto Explorations Ltd. are protected under the Umbrella Final Agreement and the Selkirk First Nation Final Agreement, respectively. A comprehensive cooperation agreement was signed between Selkirk First Nation and Minto Explorations Ltd. in September, 1997, and the First Nation continues to support the project.

Geology, mineralogy and ore reserves

The Minto deposit is hosted in a flat-lying, tabular zone of foliated biotite granodiorite and quartzofeldspathic gneisses enclosed in the Jurassic Klotassin granodiorite. The main zone mineralization forms a flat-lying oblate body approximately 335 m long in a north-south direction by 244 m wide in an east-west direction that varies in

thickness from 6 m to 60 m but averages 30 m thick. The limits of the deposit are established by grade of the mineralization except along the north side where it is cut off by the DEF fault.

Gradient-array induced-polarization (GAIP) surveys in 2006 and 2007 over the Minto property produced chargeability anomalies coincident with known areas of mineralization. A new style of copper-gold mineralization in the new Airstrip-Copper Keel area is coincident with the edge of the largest of the anomalies from the 2006 survey, and is dominated by chalcocite as opposed to the more typical bornite-chalcopyrite mineralization found in the main Minto and Area 2 deposits.

Total Measured and Indicated resources for the Minto Mine reported in June, 2008 are 19 280 000 tonnes grading 1.42% Cu, 0.51 g/t Au and 5.38 g/t Ag (using a 0.5% Cu cut-off, NI 43-101 report dated June 17, 2008)

Total Proven and Probable Reserves for the Minto mine reported in June 2008 are 9 129 000 tonnes grading 1.93% Cu, 0.74 g/t Au and 7.73 g/t Ag (using a 0.62% Cu cut-off, NI 43-101 report dated June 17, 2008). Exploration continues to expand the deposit with the addition of significant resources in the Area 2, Area 118 and Ridgetop zones.

Mine details

The deposit is being mined as an open pit, with a daily planned production of 3200 tonnes of ore per day. Current plans are for approximately 8 years of mining followed by approximately 2 years of milling using low-grade ore stockpiles. The overall stripping ratio is 6.7:1 (waste:ore). The life-of-mine metal production is estimated to be in excess of 268.7 million pounds (121.9 million kg) of copper, 112,825 ounces (3 198 530 g) of gold and 1.63 million ounces (46.2 million g) of silver contained in concentrates (these figures are currently being updated). The mine plan has been optimized to access the high-grade ore first; the lower grade material and partially oxidized material will be stockpiled for later years, while the completely oxidized material will be sent to the waste dump. As a result, the life-of-mill is approximately 10 years, since the lower grade material that is stockpiled over the first eight years will be processed in the last 2 years.

In May, 2007, the Yukon Utilities Board approved a power purchase agreement between Sherwood's subsidiary Minto Explorations Ltd. and Yukon Energy Corporation. The new power line from Carmacks to Pelly Crossing was

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completed in the fall of 2008 and the Minto Mine should be hooked-up by the end of 2008, significantly reducing mine operating costs.

Production

Sherwood produced its first copper-gold concentrates at Minto mine in May, 2007 and began regular shipments of copper-gold concentrates to the port of Skagway, Alaska in July, 2007. The Skagway ore terminal was refurbished under an agreement with the Alaska Industrial Development and Export Agency.

Phase 2 mill expansion was completed in December, 2007. The expansion takes daily mill throughput from the initial design of 1563 metric tonnes per day to 2400 tonnes per day. Phase 3 mill expansion, approved by the Yukon government in July, 2008, will increase output to roughly 3200 tonnes per day. Additional tailings capacity would also be required to achieve this throughput.

Sherwood Copper Corp. completed the commissioning process and declared commercial production of the Minto mine as of October 1, 2007.

Production	2007 (Q1&Q2)	2007 (Q3)	2007 (Q4)	2008 (Q1)	2008 (Q2)
Cu (lb)	470,000	3,800,000	5,350,000	11,300,000	13,200,000
Au (oz)	n/a	n/a	n/a	n/a	n/a
Ag (oz)	2018	17,940	25,932	63,440	68,300
cash cost/lb Cu (\$CDN)	n/a	n/a	n/a	1.04	0.96