Pinnacle Mines Ltd.

FORM 51-102F1

This management's discussion and analysis (MD&A) of Pinnacle Mines Ltd. ("Pinnacle" or the "Company") is prepared as of April 21, 2010. It should be read in conjunction with the audited consolidated financial statements of the Company for the year ended December 31, 2009 as publicly filed on SEDAR at www.sedar.com under the Company's profile.

All dollar amounts are expressed in Canadian currency unless otherwise indicated.

Caution Regarding Forward-Looking Information

This MD&A contains certain statements that may be deemed "forward-looking information". All statements in this MD&A, other than statements of historical fact, that address potential mineralization and reserves or resource potential, exploration drilling or other activities or developments that the Company expects, estimated costs, timing of events, future plans and strategic goals and results of exploration, are forward-looking statements. In particular, forward-looking information can be found in our discussion of the Company's Strategic Plan, the estimated mineral resources on the Company's properties, results of metallurgical and environmental studies, anticipated work programs on the Silver Coin Property, costs of the programs and the anticipated requirements for working capital. Their accuracy depends on a number of assumptions and is subject to various risks and uncertainties.

Although the Company believes that these forward-looking statements are based on reasonable assumptions, the statements are not guarantees of future performance and actual results or developments may differ materially from those expressed in the forward-looking statements. Key assumptions underlying these forward-looking statements include that the Company will develop economic resources and profitable extraction operations, acquire properties of merit, enter into viable joint ventures or effect strategic sales of assets; the work programs on the Silver Coin Property will have the outcomes anticipated by the technical reports prepared in support of those programs and that costs of the programs will be within the range set out in the reports; and that the Company will, if necessary, be able to raise sufficient capital to finance work programs or other activities. The principal factors that could cause actual results to differ materially from those in the forward-looking statements include the potential that commodity prices may vary drastically, exploration activities may not be successful, permitting may be delayed or frustrated, the Company may be unable to identify acquisition targets, possible buyers for assets or joint venture partners, costs for work programs may exceed estimates, and the Company may not be able to raise capital, on terms acceptable to it or at all, in addition to general economic, market or business conditions that may affect the Company and its prospects. Refer to "Risk Factors" in our Annual Information Form, available on SEDAR, for a more detailed discussion of risks pertinent to the Company.

Readers are cautioned that forward-looking statements are not guarantees of future performance and actual results or developments may differ materially from those set out herein. Readers should exercise caution in relying on forward-looking statements. The Company undertakes no obligation to publicly revise its forward-looking information except as required under securities laws.

Outlook

At present, the Pinnacle is a non-producer and is in the advanced stage of exploration on its 70% owned Silver Coin Property. Since 2004, the Issuer, along with its joint venture partner Mountain Boy has conducted extensive research and development on the Silver Coin Property. In April, 2007, a NI 43-101 compliant resource calculation prepared by Minefill Services on the Silver Coin Property indicated that the property hosts a resource of approximately 423,002 ounces. of gold in the Measured and Indicated category (9.7 million tonnes grading 1.355 gpt) plus 947,988 ounces of gold in the Inferred category (15.95 million tonnes grading 1.849 gpt). Since the preparation of the 2007 resource calculation, additional infill diamond drilling and exploration has been conducted on the Silver Coin Property.

Pinnacle has conducted the majority of its exploration on its properties using in-house geological staff while using subcontractors for specialized aspects of exploration.

The Company is taking additional steps to further advance the Silver Coin Property closer to production. In December 2009, the Issuer contracted Tetra Tech Inc. ("Tetra Tech") based in Denver, Colorado to complete an updated NI 43-101 compliant resource estimate and preliminary economic assessment of the Silver Coin Property. Tetra Tech will prepare the study in two phases. The first phase will begin with a thorough review of the existing drill hole, assay and geologic databases, from which it will produce a new NI 43-101 compliant resource estimate. The second phase will involve a scoping study to determine if the project is potentially economical, to develop economic and engineering modeling for constructing an open pit mine and providing preliminary recommendations.

Pinnacle has also contracted other firms specializing in environmental and metallurgical studies. Below is a summary of the work currently ongoing:

Engineering study

The engineering study being undertaken by Tetra Tech includes the following scope of work:

Phase I

comprehensive review of drill hole, assay and geologic databases;
1. review of quality control of assay database;
2. geostatistical analysis of the assay data;
3. construction of 3-Dimensional wireframe digital models of the mineralized zone;
4. generation of a statistically valid composite 3-D drill hole assay database;
5. produce "Krigged" geochemical-geologic model; and
6. calculate a NI 43-101 compliant resource estimate.

Phase 2 (utilizing new resource estimate)
7. geological review of the Silver Coin Property deposit including all relevant drill data;
8. review existing databases and 3-D model to ensure that computer modeling matches real geologic data, construct grade envelopes and determine grade-limiting boundaries,
9. review and verify bulk-density data;
10. evaluate metallurgical test work completed to date and develop conceptual metallurgical flow sheet, estimate capital and operating costs of ore processing, size and select a site for processing and tailings facilities, recommend additional metallurgical test work,
11. estimate allowable pit-slope angles;

12. estimate economic parameters such as mining operating costs, process operating costs, transportation costs, G&A, environmental costs, process recovery, freight, refining and recovery charges;
13. pit shell analysis which will involve Tetra Tech developing a conceptual pit to determine a potentially mineable resource on with which to base a production schedule and the resulting cash-flow projections;
14. develop a conceptual site layout and location of major infrastructure, including open pit excavations, leach pad, processing facilities, maintenance facilities and roads, G&A for mine management, human resources, accounting, purchasing, engineering, reclamation and permitting, and warehousing;
15. identify environmental liabilities and potential risks regarding permitting; and
16. develop a pre-tax cash flow model which will reflect the most recent capital and operating costs available and will utilize mutually agreed upon metals prices, analyses on project sensitivity to changes in grade, recovery, operating costs and capital costs.

Environmental studies

Pinnacle has contracted Cambria Gordon Ltd., an environmental consulting firm based in Terrace, British Columbia to study and report on the environmental aspects of developing the Silver Coin Property. To date, the firm has identified a tailings site, and has completed a preliminary vegetation inventory with particular emphasis on the presence of endangered plant and animal species and ecological communities. They have also completed a wildlife habitat assessment and have addressed the permitting and environmental implications of using cyanide in a closed circuit to recover gold. Their preliminary findings suggest that this potentially cost-saving approach could be pursued in production planning.

Metallurgical studies

Metallurgical testing of the Silver Coin Property has been ongoing for over a year by F. Wright Consulting Inc. Results have shown that the Silver Coin Property mineralization exhibits favourable metallurgical characteristics using conventional sulfide flotation. Although additional work is needed to optimize the process, results demonstrate potential gold recoveries of up to 85-95% by simple flotation. As well, work index studies indicate favourable crushing and grinding characteristics.

Pinnacle expects results of the engineering, geological and resource estimation studies to become available during the first quarter of 2010. With the results of these studies, the Issuer will be in a position to plan additional drill testing, metallurgical work and more detailed follow-up engineering studies to progress the project towards feasibility.

Nature of the Business

The Strategic Plan of the Company is to achieve cash flow from a mining operation or operations as quickly as possible and this cash flow will be used to carry on with resource exploration and project development. In this regard, the Company's Business Plan is to acquire properties of merit and take them through the exploration phase and hopefully through feasibility and on to construction and operations. The Company will also consider joint venturing its own properties so that some of the risk and cost associated with this work is carried by others, or outright sale of its mineral assets should such a transaction prove beneficial to the Company.

Pinnacle Mines Ltd.

Incorporation and listing information

Pinnacle is a corporation governed by the *Business Corporations Act* (British Columbia) ("BCA"). The head office of the Company is located at #1980, 1075 West Georgia Street, Vancouver, British Columbia, V6E 3C9 and the records office of the Issuer is located at 1500 Royal Centre, 1055 West Georgia Street, Vancouver, British Columbia, Canada, V6E 4N7.

The Company was incorporated under the laws of the province of British Columbia under the name "Wildfire Resources Ltd." on May 13, 1981. On October 26, 1989, the Issuer changed its name to "Crusader Gold Corporation" and consolidated its share capital on a ten for one basis. On November 13, 1992, the Issuer changed its name from CGC to "Shorewood Explorations Ltd." and consolidated its share capital on a ten for one basis. On April 6, 1995, Shorewood Explorations Ltd. amalgamated with Broadlands Resources Ltd. under the name "International Broadlands Resources Ltd." On March 15, 1999, the Issuer changed its name to "Broadlands Resources Ltd." and consolidated its share capital on a four for one basis. On July 25, 2003, the Issuer changed its name to "Pinnacle Mines Ltd." and consolidated its share capital on a five for one basis.

At the Issuer's annual general meeting held in June 2004, shareholders voted to adopt a new set of Articles in accordance with provincial laws governing corporations transitioning the Issuer from the British Columbia Company Act to the BCA. As well, shareholders voted to increase the authorized share capital of the Issuer from 100,000,000 common shares without par value to an unlimited number of common shares without par value. The Issuer is a reporting issuer in the provinces of British Columbia and Alberta. As of December 31, 2009 there were 91,576,134 common shares of the Issuer issued and outstanding.

The issued capital of the Company as of April 21 is 91,576,134 common shares. The authorized capital of the Company is an unlimited number of common shares.

Results of Operations

Note: All of the property reviews and technical information referred to below can be viewed in more detail on SEDAR at www.sedar.com and on the Company's website at www.pinnaclemines.com.

Canada

Silver Coin:

The Silver Coin gold-silver-base metal property, optioned from Mountain Boy Minerals Ltd. ("Mountain Boy"), is located about 24 kilometers north of Stewart, British Columbia in the Skeena Mining Division. The property covers an area of Lower-Jurassic age, intensely altered intermediate volcanic rocks. Detailed regional and property scale mapping conducted by government and company-contracted geologists indicates that the area was a regional paleotopographic high with a stratovolcano centered on the nearby Mount Dilworth. The rocks are cut by a variety of intrusive rocks of both Early Jurassic and Eocene age.

The property contains approximately 1500 hectares in one Crown granted claim, nine Reverted Crown granted claims, ten two-post claims and six modified grid claims.

During the third quarter of 2004 the Company entered into an option agreement with Mountain Boy to acquire a 51% interest in its 100% owned Silver Coin and FR claims and its 55% owned

Dauntless claims by spending $1.75 million on exploration over a three year period. In addition the option allowed the Company to earn another 9% in the properties by bringing one to commercial production.

During the fourth quarter of 2004, the Company entered into an agreement with Tenajon Resources Corp. ("Tenajon") to acquire a 60% interest in its Kansas property, by incurring exploration expenditures totaling $1 million over a four year period, making a $50,000 cash payment and issuing 77,000 common shares. The Kansas property is a crown grant and is 19.5 hectares in size. The property adjoins the Silver Coin property. The agreement allowed the Company to increase its ownership in the Kansas property to 70% by completing a feasibility study within four years of earning its 60% interest. A full joint venture agreement between Tenajon and Pinnacle was completed in May of 2005. In 2005 the Company incorporated the Kansas Claim joint venture between Pinnacle and Tenajon into the Mountain Boy/ Pinnacle joint venture.

On April 15, 2008 the Company entered into a binding letter agreement whereby the Company purchased Tenajon's wholly owned subsidiary, 0781639 B.C. Ltd. which holds an undivided 40% ownership interest in the Kansas property and a 100% ownership interest in the Summit Lake property. On closing, the Company issued to Tenajon 13,500,000 common shares at a value of $2,430,000 and reimbursed Tenajon $15,000 for reclamation deposits and $185,000 for other expenses incurred by Tenajon. The Company was also granted an option to purchase the 3% net smelter royalty held by Tenajon on the Summit Lake property by paying $115,000 which the Company declined.

In July 2009, the Company entered into an agreement with Mountain Boy to increase its ownership in the Silver Coin Property to 70% and to purchase land and buildings in Stewart, BC in return for a payment of $440,000 (paid) of which $340,000 was allocated to the Silver Coin property and $100,000 to land and buildings inclusive of GST. The Company can further increase its ownership to 80% after spending $4,000,000 on exploration and development expenditures on any or all of the Silver Coin and Kansas properties by July 2014. The agreement gives the Company the exclusive right to manage the project through feasibility and also to negotiate on behalf of both parties the sale of the Silver Coin and Kansas properties.

The 2006 Program at Silver Coin

The 2006 exploration program drilled over 8,000 meters of core. The drilling was designed to extend and better define the known mineralization in an area that contains the Perseverance zone, the Snowball zone, the Kansas and Kansas West zones and the 35 zone. Sufficient drilling was completed in 2005 and 2006 to start constructing a mineral resource estimate according to NI 43-101 standards. The currently known resource is located primarily within the Kansas claim and the immediate surrounding area including the Big Missouri claim.

In 1991, the Facecut Zone, located on the Big Missouri, produced 102,539 tonnes at an average grade of 8.9 g/t Au and 55.50 g/t Ag. Work during 2005 and 2006 extended this high grade mineralization (Facecut Zone) at least 200 meters north of the stoped area. DDH-2005-89 intersected 11.59 meters of 9.89 grams gold/tonne approximately 100 meters north of the mined area.

The 2007 Program at Silver Coin

In 2007 MineFill Services Inc. completed an updated resource calculation which was filed on SEDAR.

The MineFill Services' estimate includes 947,988 ounces of gold in the inferred category and 423,002 ounces of gold in the measured and indicated category; a major increase over the earlier Tenajon estimate.

Minefill's resource included 182 surface diamond drill holes completed in 2005 and 2006 under the supervision of the Company's geologists and 417 historical drill holes of which 288 were drilled from underground. The resource was based on drilling along 700 meters of strike length within a mineralized zone that has been identified over a distance of at least 2500 meters and remains open to the south, west and north. Trenching to the north along the mineralized structure has returned values up to 22 grams gold/tonne.

In September 2007, Pinnacle started a program of 29 holes to better define and expand the in-pit resource estimate, primarily north of the Kansas claim. The drilling continued until late in October when snow stopped the program. A total of 16 holes of the 29 hole program were completed although assay results were not particularly exciting.

2008 Exploration Program

In 2008 Pinnacle drilled 89 holes for a total of 12,200m intended to increase resources and upgrade the resources already defined. The 2008 season started with Hole 222 and ended at Hole 310. To give the reader an idea of the overall significance and magnitude of the property's potential value, the results from the 89 holes drilled in 2008 include only 4 holes which were assayed with less than 0.5 grams gold/tonne although even these 4 holes contain gold mineralization and/or base metal values.

The results from the program continued to build on the size and significance of earlier Silver Coin drill results. Drilled widths of up to 54.87 meters grading 4.45 grams gold/tonne and 77.72 meters grading 2.41 grams gold/tonne are included in the results. Much higher grades were intersected over narrower widths such as: 4.57 meters grading 15.57 grams gold/tonne; 1.52 meters grading 15.01 grams gold/tonne; 3.05 meters grading 20.47 grams gold/tonne; 15.24 meters grading 4.43 grams gold/tonne; 6.09 meters grading 9.0 grams gold/tonne; 12.19 meters grading 12.66 grams gold/tonne; 42.37 meters grading 6.26 grams gold/tonne (including 12.19 meters grading 18.16 grams gold/tonne); 45.72 meters grading 3.78 grams gold/tonne; 27.43 meters grading 5.40 grams gold/tonne, etc. A body of andesite containing a network of mineralized quartz veins and veinlets, as well as disseminated gold-sphalerite mineralization forms an open-ended, N-S-elongate body approximately 700 meters along strike and 200 meters in depth.

Long sections constructed from the drill hole geochemical database indicated that the deposit is open at depth and along strike to the north.

Eagle Mapping delivered detailed air photo and topographic coverage for mine-planning purposes. Unfortunately, tree cover rendered the topographic contours less accurate than earlier ground based topo surveying in some places. However, the images are an excellent addition to the database. F.W. Wright Consulting Inc. continued with metallurgical studies (initial flotation recoveries averaged 94% for gold in test work).

Minefill calculated an updated resource that included a high grade core of 8.25 million tonnes grading over 5.0 g/t Au-equivalent (3.8 g/t Au, 14.9 g/t Ag, 0.04% Cu and 0.54% Zn) containing just over 1 million ounces of gold.

2009 Program

Several significant developments in 2009 included additional metallurgical studies focusing on the crushing and grinding characteristics of the ore, completion of a comprehensive geological and resource review of Silver Coin by the Bitteroot Group ("BRG"), a geological consulting group from Colorado, environmental studies and the completion of a full NI 43-101 compliant Preliminary Economic Assessment (PEA).

Metallurgical studies were continued in a program where select coarse reject samples from various areas of the resource were studied for acid base accounting. Other samples were composited and subjected to head characterization and bench scale testing. Laboratory work to consisted of preliminary open cycle flotation studies to better define the process conditions including grind and reagents. This work is ongoing and will ultimately include flotation variability testing, solid liquid separation and tailing characterization. In September two bulk samples were excavated from the site and subjected to comminution studies. The preliminary results of this testing indicate that the mineralized material can be crushed and ground using normal equipment and it does not represent any unusual challenge in modeling the metallurgical characteristics of the deposits.

Cambria Gordon Ltd., a Terrace, B.C. based environmental consulting firm, contracted by the Company to study and report on the environmental aspects of developing the deposit, has issued some key preliminary findings. Most importantly, they have determined that to RIC standards, No Name Lake, a potential site for tailings placement, is devoid of fish and thus remains a potentially viable option for design and operation of the project. Using floating/sinking gill nets and minnow traps, no fish were captured and Cambria Gordon will prepare a Non-Fish Bearing Status (NFBS) report for Ministry of Environment (MoE) review.

Additionally, Cambria Gordon completed a preliminary vegetation inventory looking for rare and/or endangered plant species and ecological communities. They determined that such species were not present within the representative plots sampled. They also completed a preliminary wildlife and wildlife habitat assessment. Rare and/or endangered wildlife species were not observed within the representative sites assessed. Grizzly bear foraging habitat was present but was not identified as critical habitat within the representative sites assessed.

Cambria Gordon also addressed the permitting and environmental implications of using cyanide in a closed circuit to recover gold from the Silver Coin mineralized material. They concluded that beyond normal permitting issues, there are no prohibitions to the use of cyanide on the site and indeed the nearby Silbak Premier Mine was a historical user of cyanide.

The location of Silver Coin is ideal for the construction of a potential open pit mining operation. The road to the Granduc deposit passes through the property, linking Silver Coin with the deep water port at Stewart, B.C. The deposit is 5 kilometers north of the Silbak-Premier mine, which produced approximately 1.8-2.0M ounces of gold.

In November the Company contracted with Tetra Tech Inc of Golden Colorado to complete a full NI 43-101 compliant Preliminary Economic Assessment (the "Tetra Tech Report") on Silver Coin. Tetra Tech is a leading provider of consulting, engineering, and technical services worldwide, with a work force of more than 10,000 and annual revenues of over $2Bln. Robert G. Perry, P.G. and John W. Rozelle, P.G. of Tetra Tech Inc. are the qualified persons who prepared or supervised the preparation of the Tetra Tech Report, which forms the basis for the technical information herein. Additional information, as required under NI 43-101, is contained in the Company's Annual Information Form dated December 30, 2009 and filed on SEDAR. The Tetra Tech Report can be reviewed on SEDAR under the Company's profile.

Phase one of Tetra Tech's work involved a comprehensive multiple step review of historical project data as the basis for building a new block model and recalculating the resource. This process included the following steps:

1. Comprehensive review of the complete drillhole database including the assay and geologic database on the project.
2. Review a statistically valid sampling of the geologic logs and assay certificates and confirm that these are accurately included in the database.
3. Complete a statistical and geostatistical analysis of the assay data.
4. Review and incorporate 3-dimentional wireframe digital models of the mineralized zone and structure of the deposit which the Company will provide.
5. Generate a statistically valid composited drillhole assay database.
6. Produce a "kriged" geologic model.
7. Calculate a NI 43-101 compliant Resource Estimate

Phase two of the work, based on Tetra Tech's new resource estimate involved a thorough review of information and data that is relevant to the geologic, metallurgical, operational, economic and environmental and permitting aspects of developing the project. Their report included a cash flow model with sensitivity analysis for gold price, size of the resource, mining costs and discount rates.

Tetra Tech's updated resource calculation, based on a total of 714 drill holes totaling 85,844 meters indicated a combined Measured and Indicated resource of 12.32 M tonnes grading 1.89 gold gpt for a total of 749,000 ounces of gold, 3.18 M ounces of silver and 87.76 M pounds of zinc at a gold cut-off grade of 0.75 grams gold per tonne. An additional 750,000 ounces of gold are included in the Inferred resource, with 15.34 M tonnes grading 1.52 grams gold per ton at the same cut-off grade. The waste to ore ratio is a favorable 1.3:1 resulting from the fact that the deposit is essentially exposed at the surface along a ridge.

A scoping level metallurgical program was conducted on selected drill core from the Silver Coin during the period of 2005 to 2009. Several different process routes were investigated for the recovery of the contained gold, including:

- Flotation
- Whole-ore cyanidation
- Cyanidation of flotation concentrates

Rougher flotation results show the gold is very amenable to recovery into a bulk sulfide concentrate, and that gold recovery from the low-sulfur composite was about 94%.

Selected flotation concentrates produced from the composites were reground and subjected to CIL cyanidation for 96 hours. Gold extractions ranged between 90-96%.

In summary, metallurgical testing has resulted in flotation recoveries of 95% of the gold and 88% of the silver. The total metal recovery after cyanidation is 88% for gold and 60% for silver.

Pinnacle's future plans include reducing drill hole spacing, preliminary metallurgical test work, initiating mine planning and baseline environmental studies, continued surface geological mapping, and securing adequate supplies of water and power. These items are required for the project to proceed toward feasibility. The total cost of these items is approximately US$1.5 million, an amount which will enable sufficient surface diamond drilling to determine the continuity of the Silver Coin ore body to the north, where it remains open, and where geological interpretations indicate the gold mineralization continues.

Surprise Creek Property

The Company acquired 40 claims in 2003 in the Stewart area by staking an area in the Bear River pass near Surprise Creek. This property has had very little exploration in the last 30 years and only sporadic work efforts since the early 1900s. The Company evaluated and dropped some of its claims and presently has 19 claims covering roughly 7,500 hectares. The property follows the contact zone between the Mt. Dilworth rhyolite and overlying Salmon River sedimentary formations, the same stratigraphic sequence that is host to numerous gold deposits including Eskay Creek, Snip and Premier and- Big Missouri mines. The rhyolite horizon was traced along the entire north-south length of the Surprise Creek claim group.

In July of 2006 some surface reconnaissance was carried out on the property by Company geologists. Two drill holes were planned to confirm the rock types at depth. Unfortunately, before the holes were drilled, the weather turned and further work at the site was not possible. The drill program was rescheduled for 2007.

In late July 2007 the Company completed a four-hole drilling program of just under 2000 meters. The results helped the Company to understand the general geology and serve as a guide to future drilling. No work was carried out on the Surprise Creek Property in 2008 or 2009.

MEXICO

Oaxaca State Properties

In September 2006, the Company announced that it had reached an agreement with Chesapeake Gold Corp. ("Chesapeake") to purchase up to a 70% interest in its wholly-owned La Calavera and Rio Minas copper-silver-gold properties in Oaxaca, Mexico. Both the La Calavera and Rio Minas properties occur within a hundred kilometer long NW trending structural belt which host several skarn prospects and other advanced exploration projects.

The Company commenced work on the La Calavera property in the Sierra Madre Sur, 52 kilometers southeast of Oaxaca City near the community of San Baltazar Guelavila.

By the end of February 2008 the Company had completed an IP survey and drilled five core holes before the program was halted due to disappointing assay results. The combination of poor drill results and legal/social complications on the property led the Company to cease work and return the property to Chesapeake and focus on Rio Minas.

The Company commenced work on the Rio Minas property in late 2007 which is located approximately 37 km southeast of the La Calavera property. The target was a silver-rich, polymetalic skarn adjacent to a granodiorite intrusive.

A geochemical survey was conducted covering an area that measures approximately 4 kilometers by 2.5 kilometers.

In 2009, no work was carried out in the field in Mexico. By late 2009, the Company made the decision to stop its operations in Mexico and is in the process of closing all its operations.

Pinnacle Mines Ltd.

Financial

Exploration expenditures

Mineral exploration costs formed the bulk of the Company expenditures in the year. These costs are set out in the in the following table:

Year Ended	December 31, 2009	December 31, 2008	December 31, 2007
Exploration expenditures			
Geochemistry	$ -	$ 39,868	$ 23,303
Drilling and metallurgy	121,524	1,685,411	1,176,607
Environmental permitting	46,697	6,272	25,145
Geological and engineering	257,671	473,734	319,373
Helicopter	-	495	127,545
General administration	65,859	188,472	158,005
Geologic mapping and imagery	78	21,831	6,280
Geophysics	-	69,839	-
Maintenance	6,926	2,763	64,265
Field supplies	4,194	36,819	38,680
Resource estimation	120,204	102,397	33,570
Site office	5,699	-	-
Shipping	-	26,624	-
Reclamation	-	15,484	3,913
Travel and accomodation	13,996	94,232	206,273
Trenching and underground	-	-	-
Recovery of expenses	(121,658)	-	-
Net expenditures	$ 521,190	2,764,241	$ 2,182,959

Selected Annual and Quarterly Financial Data

Year Ended December 31,	2009	2008	2007
Financial results:			
Net (loss) gain for the period	$ (1,661,307)	$ (2,811,635)	$ (1,613,687)
Basic and diluted gain (loss) per share	(0.02)	(0.07)	(0.07)
Balance sheet data:			
Cash and cash equivalents	814,228	2,395,763	2,220,087
Mineral properties	9,626,907	9,885,663	6,104,241
Total assets	10,670,289	12,554,837	9,415,124
Future income tax liability	800,000	925,000	-
Shareholders' equity	9,747,326	11,127,429	8,971,833
Cash flow data:			
Exploration expenditures	828,855	2,246,143	1,864,728

The Company did not have any sales, discontinued operations, extraordinary items, cash dividends or long-term liabilities in the year under review. Material factors affecting operations and mineral property expenditures are described elsewhere in this MD&A.

2009 Quarterly Results:	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Net loss	$ (123,790)	$ (926,932)	$ (432,835)	$ (177,750)
Basic and diluted loss per share	(0.02)	(0.01)	(0.00)	(0.00)
Total assets	10,670,289	10,918,225	11,593,151	12,048,420
Working capital	765,629	1,275,259	1,599,900	1,846,829

2008 Quarterly Results:	4th Quarter	3rd Quarter	2nd Quarter	1st Quarter
Net income (loss)	(2,724,007)	(194,317)	(263,473)	370,162
Basic and diluted earnings (loss) per share	(0.02)	(0.01)	(0.01)	0.01
Total assets	12,554,837	12,621,789	12,796,004	9,209,620
Working capital	2,024,021	479,316	2,013,300	2,047,438

No exercise or conversion is assumed during the years in which a net loss is incurred, as the effect is anti-dilutive.

Net Loss

The Company is an exploration stage company and did not have any sales or revenues, nor has it had any extraordinary items or discontinued operations in the most recent eight fiscal quarters. As the Company is still in the exploration stage, variances in its quarterly losses are not affected by sales or production-related factors. Variances by quarter reflect overall exploration and corporate activity and certain factors that may not recur each quarter.

In general, operating costs were lower in 2009 in comparison to 2008 which reflects a commitment to reduce operating expenditures. The consulting fees in 2009 were $138,556 higher than 2008 due to a variety of factors: during the year the Company ceased to have any employees and moved offices. Consultants are used by the Company to perform all tasks. Prior to the move the Company accounted for its payments to Baron Financial Canada Ltd. to provide corporate advice as a consulting expense. After the move the consulting fee was split between management, rent and office expenses, which accounts for the lower rent and office expenses during 2009. Expenditures in all categories with the exception of consulting and stock-based compensation were lower in 2009. The value of stock based compensation increased from $27,032 to $64,698.

The Company started 2009 with a working capital of $2,024,021 and by the end of the year this position had decreased to $765,629, a net decrease of $1,258,392 which is primarily accounted for in the reduction of cash in 2009. There was no financing during 2009 and all expenditures were paid through existing cash. The net loss decreased in 2009 significantly over that in 2008 almost entirely due to the decreased write down of mineral property expenses.

The loss for the three months ended December 31, 2009 was $91,290 (2008 - $2,724,007).

Quarter ended December 31,	2009	2008	2007
Consultant	$ 42,875	$ 15,608	$ 23,306
Office	13,812	68,913	32,641
Salaries and benefits	1,585	38,725	35,716
Stock-based compensation	1,598	(30,304)	255,662
Property investigations	16,251	-	920
Other operating expenses	108,743	40,168	165,235
Loss before undernoted	(184,864)	(133,110)	(513,480)
Interest and miscellaneous income	(1,852)	(13)	(7,639)
Write-down of mineral property interests	6,697	2,582,819	-
Loss on sale of short-term investments	26,581	8,091	14,463
Gain on sale of mineral property interests	-	-	(22,400)
Pre-tax loss	(31,426)	(2,590,897)	15,576
Future income tax recovery	125,000	-	-
Loss for the period	$ (91,290)	$ (2,724,007)	$ (497,904)

Generally, operating expenses decreased significantly compared to fourth quarter results in prior years. The decreased expenses reflect a reduced scale of operations. The increased consultant expense was discussed earlier in this MD&A. See "Net Loss".

Liquidity, Capital Resources and Solvency

The following table summarizes the Company's cash on hand, working capital and cash flow:

As at	December 31, 2009	December 31, 2008
Cash and equivalents	$ 814,228	$ 2,395,763
Working capital	765,629	2,024,021

Period ended	December 31, 2009	December 31, 2008
Cash used in operating activities	(718,341)	(645,554)
Cash used in investing activities	(863,194)	(2,402,700)
Cash provided by financing activities	-	3,223,930
Change in cash	$ (1,581,535)	$ 175,676

The Company is dependent on the sale of treasury shares to finance its exploration activities, property acquisition payments and general and administrative costs. The Company will require additional funds in 2010 to continue its exploration program. There can be no assurance, however, that the Company will be successful in its efforts to raise funds. If such funds are not available or other sources of financing cannot be obtained, then the Company will be forced to curtail its activities.

To maintain the Silver Coin Property in good standing no work or payments are required until 2017 with the exception of the Kansas claim which requires an annual payment of $24. The Silver Coin, likewise, is in good standing until September 2011.

Pinnacle's future plans include reducing drillhole spacing, preliminary metallurgical testwork, initiating mine planning and baseline environmental studies, continued surface geologic mapping, and securing adequate supplies of water and power. These items are required for the project to proceed toward feasibility. The total overall budget for this work is estimated at approximately $1,460,000.

At December 31, 2009, the Company had no loans payable.

Capital Resources

As noted above the Company will need to raise additional funds during 2010 either by way of debt or equity financing but there is no assurance it will be able to raise additional funds. The Company has a commitment to explore the Silver Coin, and Surprise Creek but has decided to withdraw from its Mexican properties. All properties have sufficient time associated with spending commitments that the Company can reduce its expenditures and still meet its obligations for a period of time.

Outstanding Share Data

The Company has an authorized share capital of an unlimited number of common shares of which 91,576,134 shares were issued and outstanding at the end of 2009.

The Company has outstanding a total of 45,000,000 full share equivalent warrants outstanding as of December 31, 2009 at a price of $0.15 per share.

Full share equivalent warrants outstanding and exercisable at December 31, 2009:

Description	Number of Full Share Equivalent Warrants		Price Per Share	Expiry Date
Warrants	45,000,000	*	0.15	December 18, 2010
	45,000,000			

* Price for second year ending December 18, 2010 is $0.15

The Company has no shares remaining in escrow at year end.

The Company has a stock option plan in place and at the end of the year, a total of 890,000 exercisable options were outstanding at prices ranging from $0.15 to $0.95 per share. The weighted average exercise price is $0.28 per share. The maximum number of shares subject to the plan, in the aggregate may not exceed 10% of the Company's issued shares. The Company uses the Black-Sholes option pricing model to estimate the fair value of the options.

The options outstanding and exercisable at December 31, 2009 are as follows:

Range of Exercise Prices	Outstanding Options				Exercisable Options		
	Number Outstanding		Weighted Average Exercise Price	Weighted Average Remaining Contractual Life (Years)	Number Exercisable		Weighted Average Exercise Price
$0.15-$0.39	570,000	$	0.15	1.78	595,000	$	0.15
$0.40-$0.59	305,000		0.42	2.35	255,000		0.42
$0.60-$0.95	40,000		0.95	0.93	40,000		0.95
	915,000	$	0.27	1.93	890,000	$	0.27

See Note 10 in the audited consolidated financial statement for details.

Related Party Transactions

During the year ended December 31, 2009, the Company incurred fees of $119,638 (2008 - $75,834) with companies controlled by directors for management consulting services and geological consulting services. $56,723 (2008 - $75,834) has been included in management services expense on the statement of operations and $62,915 (2008 - $nil) has been included in mineral property expenditures on the balance sheet.

During the year ended December 31, 2009, pursuant to a management and advisory agreement with Baron Global Financial Canada Ltd. ("Baron"), Baron has agreed to act as corporate advisor and one of Baron's employees, namely Herrick Lau, will act as Chief Financial Officer in return for a monthly advisory fee of $10,000. The Company has recorded $90,000 (2008 – nil) in consulting fees, $19,500 (2008 - $nil) in management fees, $9,000 (2008 - $nil) in rent and $1,500 (2008 - $nil) in office expense.

Transactions with related parties for management and technical services for the year ended December 31, 2009 were:

Bromley Resources Ltd. (1)	$ 40,833
Lawrence A. Dick Consulting Ltd.((2)	78,805
Baron Global Financial Canada Ltd.(3)	120,000
	$ 239,638

(1) Bromley Resources Ltd., is a company owned by the former CEO and director of the Company, Paul Saxton.

(2) Lawrence A. Dick Consulting Ltd.., is a company owned by the CEO and director of the Company, Lawrence Dick.

(3) Baron Global Financial Canada Ltd., is a company that employs Herrick Lau, the Company's CFO.

Included in payables is an amount of $nil (2008 - $10,686) owed to directors and officers of the Company. Included in receivables is $nil (2008 - $43,281) owed by Lincoln Gold Corp ("Lincoln"), a company related by way of a common former director, namely Paul Saxton.

The Company has stopped sharing office space with Lincoln who was reimbursing each month to the Company a portion of the rent and office expenses. During the year ended December 31, 2009, these reimbursements totalled $38,586 (2008 - $78,308).

All related party transactions have been recorded at the exchange amount, which is the amount of consideration established and agreed to between the related parties.

Proposed Transactions

As happens within the mineral exploration and mining development industry, the Company is continually reviewing potential merger, acquisition, investment and joint venture transactions including other opportunities that could add to shareholder value. At present there are no transactions contemplated by the Company that would affect the financial condition, results of operations and cash flow of the Company.

Additional Disclosure for Venture Issuers without Significant Revenue

The Company has expensed the following material cost components:

Year ended	December 31, 2009	December 31, 2008
Consulting fees	$ 227,040	$ 88,484
Management services	76,223	75,834
Investor relations	41,732	92,047
Professional fees	99,191	138,393
Office	58,424	120,139
Salaries and benefits	63,358	124,739

Consulting fees of $227,040 and $88,484 incurred and expensed in the year ended December 31, 2009 and 2008, respectively, were paid to various consultants of the Company for services other than those directly associated with exploration activities, which are capitalized to mineral properties. In the year ended December 31, 2009 and 2008, management services of $76,223 and $75,834 were paid to management of the Company and professional fees of $99,191 and $138,393, respectively, were paid to legal counsel and auditor of the Company. The transactions were conducted in the normal course of operations, on commercial terms established and agreed to by the related parties, and were recorded at the exchange amount. Investor relations incurred and expensed in the year ended December 31, 2009 were mainly due to investor communications, including maintaining and updating the website and disseminating news releases . Office and salaries and benefits are general administrative expenses that are included in the Statements of Loss, Deficit and Comprehensive Income (Loss) for the year ended December 31, 2009.

Changes in Accounting Policies

The Company adopted the following new accounting policies effective January 1, 2009:

(a) Goodwill and intangible assets

The Company has adopted the new standard *Goodwill and Intangible Assets* (Section 3064) for its fiscal year beginning January 1, 2009. This Section replaces Section 3062, *Goodwill and Other Intangible Assets,* and Section 3450, *Research and Development Costs*. The new Section establishes standards for the recognition, measurement, presentation and disclosure of goodwill subsequent to its initial recognition and of intangible assets by profit-oriented enterprises. Standards concerning goodwill are unchanged from the standards included in *Section 3062*. The adoption of this section has had no significant impact on the Company's financial statements.

Recent accounting pronouncements

(a) Business combinations, non-controlling interest and consolidated financial statements
In January 2009, the CICA issued Handbook Section 1582 *Business Combinations,* 1601 *Consolidated Financial Statements* and 1602 *Non-controlling Interests* which replace CICA Handbook Sections 1581 *Business Combinations* and 1600 *Consolidated Financial Statements.* Section 1582 establishes standards for the accounting for business combinations that is equivalent to the business combination standard under IFRS. Section 1582 is applicable for the Company's business combinations with acquisition dates on or after January 1, 2011. Early adoption of this Section is permitted. Section 1601 together with Section 1602 establishes standards for the preparation of consolidated financial statements. Section 1601 is applicable for the Company's interim and annual consolidated financial statements for its fiscal year beginning January 1, 2011. Early adoption of this Section is permitted and all three Sections must be adopted concurrently.

(b) International financial reporting standards ("IFRS")
In addition to the above new accounting pronouncements the Canadian Accounting Standards Board ("AcSB") in 2006 published a new strategic plan that will significantly affect financial reporting requirements for Canadian companies. The AcSB strategic plan outlines the convergence of Canadian GAAP with International Financial Reporting Standards ("IFRS") over a five-year transitional period. In February 2008 the AcSB announced that 2011 is the changeover date for publicly-accountable enterprises to use IFRS, replacing Canada's own GAAP. The date is for interim and annual financial statements relating to fiscal years beginning on or after January 1, 2011.

The Company is currently in the process of applying for early adoption of IFRS starting January 1, 2010.

The Company's transition date for converting to IFRS is January 1, 2007 (the "transition date"). The following discussion provides further information about the Company's IFRS convergence activities.

Management of IFRS Convergence Project

The Company has substantially completed the process of transitioning from current GAAP to IFRS. It has established a formal project plan, allocated internal resources and engaged expert consultants to manage the transition from GAAP to IFRS reporting. The Company provides updates to the Audit Committee and the Board of Directors with the progress of the convergence project through communication and meetings.

The Company has evaluated its overall readiness to transition from GAAP to IFRS including the readiness of its staff, Board of Directors, Audit Committee and auditors.

The IFRS convergence project instituted consists of three primary phases, which in certain cases will occur concurrently as IFRS is applied to specific areas:

- Initial Scoping and Assessment Analysis: identify areas for which a GAAP and IFRS difference exists.
- Evaluation and Design: to identify specific changes required to existing accounting policies, information systems and business processes, together with an analysis of policy alternatives allowed under IFRS and development of draft IFRS financial statements.
- Implementation and Review: to execute the changes to information systems and business processes, completing formal authorization processes to approve recommended accounting policy changes and training programs across the Company's finance and other staff, as necessary. This will culminate in the collection of financial information necessary to compile IFRS compliant financial statements, including embedding IFRS principles in business processes, and Audit Committee review and approval of the financial statements.

At the date of preparing this MD&A, the Company has completed all phases of the project plan. The Company's analysis of IFRS and comparison with GAAP has identified a number of differences which are discussed under the heading "Impact of adoption of IFRS on Financial Reporting" below.

First-time Adoption of International Financial Reporting Standards

IFRS 1, First-time Adoption of International Financial Reporting Standards ("IFRS 1"), sets forth guidance for the initial adoption of IFRS. If permitted to adopt IFRS early, commencing for the period ended March 31, 2010 the Company will restate its comparative fiscal 2009 financial statements for annual and interim periods to be consistent with IFRS. In addition, the Company will reconcile equity and net earnings from the previously reported fiscal 2009 GAAP amounts to the restated 2009 IFRS amounts.

IFRS 1 generally requires that first-time adopters retrospectively apply all IFRS standards and interpretations in effect as at the first annual reporting date. IFRS 1 provides for certain mandatory exceptions and optional exemptions to this general principle. The Company elected to take the following IFRS 1 optional exemptions:

- to apply the requirements of IFRS 2, *Share-based payments* ("IFRS 2") only to equity instruments granted after November 7, 2002 which had not vested as of the transition date.

Changes to estimates previously made are not permitted. The estimates previously made by the Company under GAAP will not be revised for application of IFRS except where necessary to reflect any changes resulting from differences in accounting policies.

Impact of Adoption of IFRS on Financial Reporting (expressed in thousands of Canadian dollars)

While GAAP is in many respects similar to IFRS, conversion will result in differences in recognition, measurement, and disclosure in the financial statements. For the Company, the accounting policies and financial statement accounts identified as being significantly affected by the adoption of IFRS are discussed below:

1. Share-based Payment

Currently, the Company measures stock-based compensation related to stock-options at the fair value of the options granted using the Black-Scholes option pricing formula and recognizes this expense over the vesting period of the options. For the purpose of accounting for share based payment transactions an individual is classified as an employee when the individual is consistently represented to be an employee under law. The fair value of the options granted to employees is measured on the date of grant. The fair value of options granted to contractors and consultants are measured on the date the services are completed. Forfeitures are recognized as they occur.

IFRS 2, similar to GAAP, requires the Company to measure stock-based compensation related to stock-options granted to employees at the fair value of the options on the date of grant and to recognize such expense over the vesting period of the options. However, for options granted to non-employees, IFRS requires that stock-based compensation be measured at the fair value of the services received unless the fair value cannot be reliably measured.

2. Deferred Tax on Mineral Properties

Currently the Company, in determination of the net earnings (loss) from its interest in Silver Coin, recognizes a future income tax liability on temporary differences arising on the initial recognition of the Silver Coin mineral property interest (where the fair value of the asset acquired exceeds its tax basis) in a transaction which was not a business combination and affected neither accounting profit / (loss) nor taxable profit / (loss). IAS 12, *Income Taxes* ("IAS 12") does not permit the recognition of deferred taxes on such transactions.

As of the transition date and December 31, 2008, the Company will derecognize the impacts of all future income tax liabilities which had previously been recognized on the initial acquisition of the Silver Coin mineral property through transactions deemed not to be business combinations and affecting neither accounting profit / (loss) nor taxable profit / (loss).

3. Impairment of Non-financial Assets

Under Canadian GAAP, for assets other than financial assets, a write-down to estimated fair value is recognized if the estimated undiscounted future cash flows from an asset or group of assets are less than their carrying value.

IAS 36, *Impairment of Assets* ("IAS 36"), requires a write-down to be recognized if the recoverable amount, determined as the higher of the estimated fair value less costs to sell or value in use (discounted cash-flow basis) is less than carrying value.

The Company performed impairment assessments as of the transition date to determine whether an impairment charge would be recognized under IFRS on the transition date and has concluded that there is no impairment charge under IFRS as of the transition date and December 31, 2007.

4. Financial Instruments

Under Canadian GAAP, financial instruments classified under as available-for-sale are measured at fair value effectively adopted on October 1, 2007. IFRS requires that financial instruments categorized as available-for-sale be measured at fair value with unrealized gains and losses recognized in reserves.

5. Flow-Through Shares

Under Canadian GAAP, the Company has the ability to finance its exploration activities through the issue of flow-through shares, which transfer the tax deductibility of exploration expenditures to the investor. The proceeds of such shares are credited to capital stock and the related exploration costs have been charged to mineral property interests. Upon renouncement of the resource expenditures for income tax purposes, temporary taxable differences are created by renunciation which reduce share capital and increase future income taxes.

Under IFRS, there is no specific guidance regarding flow-through shares. Therefore, under the IFRS framework, any flow-through shares which provide a future obligation to revert the tax benefit to shareholders would result in recognition of a liability. Upon renouncement of the resource expenditure for income tax purposes, the liability is reversed and the temporary taxable differences are created by renunciation. As there is no exemption under IFRS 1 for first time adopters regarding flow-through shares, the treatment under IFRS needs to be applied retrospectively.

Financial instruments

(a) Fair value

The fair value of short-term investments, receivables, and payables and accruals, approximates their carrying values due to the short-term nature of these instruments. Cash and marketable securities, which are measured at their fair value, have been determined using Level 1 inputs.

The Company is exposed to a variety of financial risks by virtue of its activities including currency, credit, interest rate, liquidity and commodity price risk.

(b) Foreign exchange risk

Cash held in foreign currencies other than the Canadian dollar is subject to currency risk. The Company's operations in Mexico exposed the Company to foreign exchange risk, however, the Company is in the process of withdrawing from Mexico and has significantly reduced its operations as at year end. The Company does not enter into derivative financial instruments to mitigate this risk but the Company does not believe its net exposure to foreign exchange risk is significant.

(c) Credit risk

The Company's cash is held in large Canadian financial institutions. The Company does not have any asset-backed commercial paper. The Company's receivables consist mainly of GST receivable due from the Federal Government of Canada. Management believes that the credit risk concentration with respect to its financial instruments is minimal.

(d) Interest rate risk

Interest rate risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in market interest rates. There is a very limited interest rate risk as the Company holds no interest bearing financial obligations or assets.

(e) Liquidity risk

The Company's ability to continue as a going concern is dependent on management's ability to raise required funding through future equity issuances. The Company manages its liquidity risk by forecasting cash flows from operations and anticipating any investing and financing activities. Management and the Board of Directors are actively involved in the review, planning and approval of significant expenditures and commitments.

(f) Price risk

The ability of the Company to explore its mineral properties and the future profitability of the Company are directly related to the market price of precious metals. The Company monitors precious metal prices to determine the appropriate course of action to be taken by the Company.

The Company's short-term investments are subject to ongoing fair value fluctuations from changes in equity and commodity markets.

Commitments

As of January 1, 2009 the Company entered into an agreement with Baron Global Financial Canada Ltd. (“Baron”) whereby Baron has agreed to act as a corporate advisor to the Company for a 12-month period. One of Baron’s employees acts as the Chief Financial Officer of the Company. In return, the Company pays a monthly advisory fee of $10,000 plus taxes. The Company also reimburses Baron all reasonable expenses.

As of August 2009, the Company entered into a transition service agreement with the former president, whereby the Company agreed to pay a monthly fee of $6,125 for a term of 2 years in return for transitional consulting services.

Investor Relations

Investor Relations are very important to the Company as it competes with many hundreds of other companies for the same investor interest and investment capital. Consequently the Company uses outside consultants as well as internal means to promote itself.

On March 25, 2009, the Company entered into a consulting agreement with 664991 BC Ltd. (the “Contractor”) whereby the Contractor has agreed to provide investor relations services to the Company for a 6-month period commencing on March 1, 2009. In return, the Company will pay the Contractor a monthly fee of $2,500 plus taxes and the Company will reimburse the Contractor all reasonable expenses. Though this contract has expired, the Company is continuing on a month by month basis with the same terms.

In addition the Company attends at least two mining finance shows each year, including the Prospectors and Developers Association of Canada annual conference in Toronto every March. Occasionally the Company will expand its attendance to three or four shows a year.

Financing Activities

There were no financing activities in 2009. Subsequent to December 31, 2009, the Company issued to its shareholders a rights offering to raise gross proceeds of $4,578,807. One right will be issued for each share held, being 91,576,134 common shares, where each right will entitle the holder to acquire an additional common share for $0.05. The rights became exercisable on April 8, 2010 and expire on April 30, 2010.

Risks and Uncertainties

Junior companies involved in mineral exploration are exposed to a business that is inherently speculative in nature, immensely competitive and is generally risky in nature for many and varied reasons. Time and money invested in exploration and development will not necessarily mean a discovery of significant value.

Metals prices are completely independent of the efforts of any one junior mining company and are very volatile which can lead to funding uncertainties and mineral discovery irregularities. In addition, the cost of doing business varies from place to place and regulations imposed by different governments can lead to exploration uncertainties.

The Company explores in Canada, the United States and Mexico. In the US and Mexico, the Company has to deal with government policies that are different than in Canada. However laws and regulations in the US and Mexico are well defined. Like Canada the inherent difficulties associated with acquiring land and exploring on it will continue.

The Company has limited financial resources and only has limited means to raise funds through the issue of stock. If the Company is able to find, explore and develop a mineral resource there is still no certainty that additional funds will be available to advance the project even further. Failure to obtain more financing could lead to a loss of prospective properties.

Off Balance Sheet Arrangements

To the best of management's knowledge, there are no off-balance sheet arrangements that have, or are reasonably likely to have, a current or future effect on the results of operations or financial condition of the company.

Trends

Trends in the industry can materially affect how well any junior exploration company is performing. In general gold and base metal prices have recently strengthened and as a result worldwide exploration has been increasing. Recent developments in the vicinity of the Company's Silver Coin deposit in the Stewart Camp have been positive and focused investor attention on the potential of the Company's assets in the camp. The prospects for additional financing have brightened should the Company see a need for additional cash.

With the economic slowdown, the demand for metal in Europe and North America has declined. However use of metals in China and India may remain robust and have a positive impact on overall world demand.

Outlook

The Company remains committed to continue to seek out and review projects that exhibit potential to host large ore bodies of precious metals with strong prospects to increase in value. The Company will continue its exploration activities at the Silver Coin project with the aim of improving the quality of resources and producing a feasibility study. Additional funding will be required to carry out this work which may be difficult to achieve.