



Michael Thast & Paul Saxton

Pinnacle Mines has been for the last three years developing its 51% owned Silver Coin deposit in Stewart, BC. The property has an outlined resource base of over 1.4 million oz gold, which the company believes it will add to by way of further drilling in Summer 2008. In Mexico, Pinnacle has acquired early-stage copper, gold and silver properties with first-ever drill programs ongoing now. Intelligent Investor spoke with VP of Corporate Development Michael Thast, and President and CEO Paul Saxton.

including copper, zinc, silver and gold. We're now getting a good idea of how this mineralization is occurring on our ground. We'll complete the remaining eight holes planned for this program

there so they recognize that we and our contractors respect their culture. I spend about one week in six in Oaxaca meeting and socializing with community leaders, addressing concerns that may



Pinnacle's La Calavera Project - Oaxaca, Mexico.

which will help us more clearly delineate this skarn body and with continued positive results help us better define areas to drill during the second program.

arise with respect to our exploration. We help them with donations for charitable causes and help fund projects that better the lifestyle of the residents and their community.

IIG: What are the political, social and economic climates like in the region you are operating in and how have they benefited Pinnacle Mines?

MT: Mexico is a great country for mining companies to explore and produce in. It has some of the most progressive mining laws in the world. The country's most recent president is Felipe Calderón, who last year won a six-year term, recognizes the potential for foreign investment in the mining sector. Also, where we're involved in Oaxaca, through various contacts we've made very good inroads with state mining and permitting officials, which has really opened doors and expedited permitting.

IIG: You presently have drilling ongoing at La Calavera in Mexico. How are you progressing there?

PS: This is our initial drill program at La Calavera. The area has had some groundwork done in the past by artisanal workers, but really no modern exploration, which we're really excited about. We have 4,500 metres planned for the initial program, and have finished six holes with 1,600 metres completed. We've received results from the first three holes, which demonstrated good mineralization but that's still an incomplete picture. What we're looking for is a skarn deposit, which we're just in and out of at this point. The last three holes were very promising in that they were polymetallic in a skarn setting,

IIG: At Rio Minas you're preparing for an Induced Polarization (IP) Survey. What excites you most about this project?

PS: We're not only looking at IP, we'll also be doing more geochemical work. What's promising is that this area is growing in size nearly every day. We're looking at an area 5 km in length, and probably about 2 to 3 km wide. The Geos have only looked at 30% of the area but we're starting to get some excellent results, especially from the geochemistry. And we're not even into the initial areas that first got us excited.

In fact, our VP of exploration Jeff Wilson likes this grassroots property more than just about anything he's seen in the last few years. Mineralization occurs right on surface. It's got a great geological fingerprint. And it's in an area that doesn't have anybody around – it's covered with some pine trees, but not much else.

IIG: Community Relations is a major part of your business plan. How does this affect your work and relations in Mexico?

MT: At La Calavera for instance, the people we deal with—the Zapotecs—are one of the oldest indigenous tribes in the world. They're very kind, patient people. A lot of the work we do there is to try and be involved with their community and take part in their traditions making sure they're comfortable with us being

IIG: In British Columbia, your Silver Coin project has a significant resource with several years of drilling. How big is it, how big could it get and what's the timeframe in getting to a pre-feasibility study?

PS: Together with two other partners, we've drilled over 32,000 metres at Silver Coin over the past three years, and from 1982-2004 an additional 22,000+ metres were drilled by previous owners. To date less than seven percent of land at Silver Coin has been drilled.

From this drilling, a resource calculation prepared in April 2007, outlined an estimated 488,000 oz of gold in the measured and indicated category and 948,000 oz in the inferred at 0.75 g/t cut-off. When you add them up, we're over 1.4 million ounces gold at this point. Trenching further north has also indicated more mineralization as well as trenching on the east and southwest side that could add more still. So it's hard to predict the size it could be, but it definitely does have potential for more resources than we've reported.

It's in an area of substantial historical mining as well. During its mine life, the Silbak-Premier Mine, 5 kms to the south, operated and produced 1.8 million ounces gold and about 41 million ounces of silver.

IIG: 12% of your stock is held by the largest gold producer in China, Zijin

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GLOBAL RESOURCE REFERENCE

Pinnacle Mines Ltd.

Search

PINNACLE MINES LTD. PNL.V

Mkt Cap: \$6,155,293
Shares Outstanding: 25,123,647
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Website: www.pinnaclemines.com **Email:** info@pinnaclemines.com

STOCK DETAILS February 4, 2008

\$0.245 **52 Wk High:** \$0.80
52 Wk Low: \$0.17

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Mining Group. What does this mean to you in terms of experience, support and finance?

MT: We have just shy of \$2 million in the bank. A little over \$1.5 million of that is slated for further exploration on Silver

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MT: When Zijin did invest, it was an historic event because it was the first major from China that had invested in a junior Canadian mining company. It even got the attention of the Federal Government at the time and former Foreign Affairs Minister Pierre Pettigrew flew to Vancouver to take part in a formal ceremony that celebrated the event with the Chairman of Zijin.

Zijin is currently the largest gold producer in China and last year one of the top ten in the world. Two of their top management sit on our board.

IIG: You have a lot of Flow Through financing available for work in BC. What have you got in the bank and will you need to do another financing for work in Mexico?

Coin this year and we're in the process of arranging a small financing to finish our program in Mexico. We then plan to do another financing probably in mid-to-late summer to expand on our program in Mexico and do more drilling before the end of the year.

IIG: Investors generally look for juniors who have a track record of success with finding deposits and developing mines. Does Pinnacle fit this bill?

PS: I have to say, if we decide to go to production on our own, we have a team that is capable of going all the way. Myself, I've brought four different operations into production in Canada and the U.S. including the Brewery Creek up in the Yukon and Castle Mountain in California for Viceroy.

by: Need writer