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PINNACLE MINES
SILVER COIN

Silver Coin, British Columbia [Click here](#) to view the technical report on the Silver Coin property.

Silver Coin is a gold-silver-base metal property located about 24 kilometers north of Stewart, British Columbia in the Skeena Mining Division. The entire project consists of the Silver Coin property, the Dauntless property and the Kansas property. Through various option agreements, Pinnacle currently owns 51% and has the right to earn at least a 60% interest in the Silver Coin property, a 33% interest in the Dauntless property and up to a 70% interest in the Kansas property.

The project covers approximately 1,500 hectares and features a zone of faulting and shearing with accompanying mineralization up to 300 meters wide that has been traced for 2.5 kilometers. Silver Coin shares many characteristics with the nearby Silbak-Premier Mine, located just 5km to the south. Over its mine life, the Silbak-Premier Mine produced 4.7 million tons yielding approximately 1.8 million ounces gold, 41 million ounces silver, 4.2 million pounds copper, 62 million pounds lead and 20 million pounds zinc.

Exploration potential of the property is excellent with numerous zones remaining to be tested. Due to the high concentration of mineralized zones, exploration is focused on not only an underground mining situation but also on the possibility of mining by a large open pit. In addition, past exploration has been solely focused on the precious metal values rather than both the precious and base metal values of the property.

The presence of roads crossing the property, a nearby mill and the year-round seaport in Stewart and its associated infrastructure makes the property an attractive exploration and development project.

Surface and underground diamond drilling programs conducted from 1982 to 2004 have resulted in a total of 22,642 meters of core drilling in 168 holes from surface and 11,727 meters of core drilling in 214 holes from underground. Most of this work has been focused on the Kansas/West Kansas zone where the total inferred resource is 1,774,000 tonnes at 2.24 grams per tonne gold and 5.3 grams per tonne silver.

During the 2005 exploration season, the Company increased its activity at Silver Coin and completed over 8,000 meters of drilling, 395 meters of trenching as well as additional mapping and soil sampling.

In January 2006, the Company commissioned Minefill Services Inc. of Seattle, WA to prepare an initial 'resource estimate' and a National Instrument 43-101 Compliant Technical Report based on the Silver Coin project findings. Minefill found that the total (low and high grade) inferred resource contained an estimated 500,000 ounces of gold and 2.11 million ounces of silver. The low grade (envelope) inferred resource consisted of 11.3 million tonnes grading 1.6 grams per tonne (g/t) gold, 6.64 g/t silver, 0.06% copper, 0.19% lead and 0.41% zinc. Also, within this resource, a higher-grade envelope containing 2.5 million tonnes at 2.69 g/t gold, 10.09 g/t silver, 0.06% copper, 0.33% lead and 0.58% zinc was identified with a total of 170,543 ounces of gold and 660,504 ounces of silver. Minefill's estimate was prepared based on drilling results from the Main Breccia zone only and represented less than 5 per cent of the overall property.

The above resource calculations were based on 288 underground and 203 surface diamond drill holes, of which 74 surface holes were completed under the supervision of Pinnacle geologists, and the remaining 417 holes represent historical drill holes by previous operators. Only the assays that were deemed 'verified' were used in the calculation of resources.

Based on work to the end of 2005, Pinnacle concluded that there were nine different types of potentially economic mineral associations present within a total of 20 zones in the Silver Coin project area that warranted further development. In addition, Minefill made the following recommendations in its Technical Report on Pinnacle's Silver Coin Property: "Continued exploration is recommended. Drilling on a consistent pattern would provide a better understanding of the distribution of grade and the geological controls on grade. Continued drilling on 20m sections would adequately infill the resource model."

On this recommendation, Pinnacle carried out extensive exploration on Silver Coin during 2006. From mid-May through mid-October, a further 24,206 meters of drilling was completed as well as geological mapping, trenching and geochemical surveys. The main objective of the program was

Silver Coin

Surprise Creek

La Calavera

Rio Minas

Summit Lake

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Coin Project

to add additional resources or reserves to those already confirmed by Minefill. The drill program included drilling on several claims and to get the most out of the short season, up to three drills ran 24 hours per/day throughout the field program.

Preliminary indications show that the 2006 drill program was very successful with over 97% of the holes showing significant mineralization with results of holes over 1 g/t gold shown in the table below.

Based on the positive assays, Pinnacle plans on re-commissioning MineFill Services to carryout a *new resource calculation* based on the added exploration conducted, such report to available in March 2007.

2005/2006 Silver Coin Drilling Results:



[Click here to view drilling results](#)

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