

Jan. 07

Surprise Creek Set for Drilling in 2007

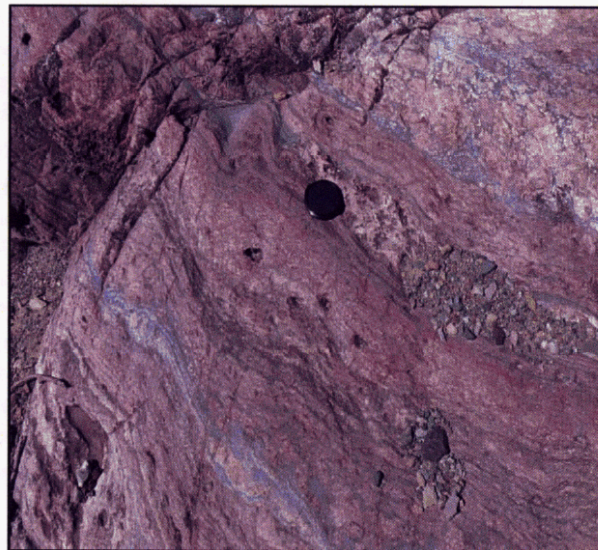
The Surprise Creek property is located about 32 kilometers northeast of Stewart, British Columbia in the Skeena Mining Division. It consists of 57 claims covering almost 24,500 hectares located between Todd and Surprise creeks. The property is 100% owned by Pinnacle.

The property lies within a belt of Jurassic mostly volcanic rocks extending from the Kitsault area to Stikine River. This belt hosts numerous precious and base metal deposits, including the producing Eskay Creek and former Snip, Granduc and Premier mines.

The Surprise Creek claim group is underlain by a sequence of middle Jurassic clastic and volcanic rocks which trend north-south to northwest-southeast. The west side of the property is occupied by andesitic

volcaniclastic and volcanic rocks of Betty Creek Formation. To the east these rocks are in contact with a narrow horizon of felsic volcanic rocks belonging to Mount Dilworth Formation. Still further east there are sedimentary rocks of Salmon River and Bowser Lake Formations.

The 2007 exploration program at Surprise Creek will start with several reconnaissance drill holes 400 to 800 m deep in the area of intense K-feldspar alteration. The holes should test at depth the horizon(s) with VMS lead, zinc and silver mineralization. Drilling should start as quickly as possible, so at these elevations (5500-6500 feet) means late June or early July. The reconnaissance drilling will be combined with drill-hole electromagnetic surveys.



Surprise Creek Exhalite Outcrop

Barbara Off to a Flying Start *(continued from the cover)*

Pinnacle plans to carryout further drilling this summer.

Float sampling in 2005 found similar mineralization in the area of the syncline's east limb approximately 3 kilometers east of the zone that was drilled in 2006. Assay results from 2005 float sampling indicated approximately 12% combined lead-zinc on the east side of the syncline. Company geologists confirm that this high-grade float is not associated with the area of current drilling, indicating other highly mineralized zones elsewhere on the property.

The 2007 exploration program on Barbara Project will comprise of prospecting, detailed

geological mapping, an IP geophysical survey and drilling. Drilling on the south and southwest portions of the property will be carried out as well.

All of the 14 holes drilled during the 2006 program indicated sections of high-grade Silver-Zinc-Lead including widths containing values as high as 369.6 gpt Silver, 16.1% Lead and 20.9% Zinc.

Based on the limited area drilled, Pinnacle expects even greater results for 2007.



Barbara Terrain in October Just Prior to Snowfall

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Pinnacle Mines is a Canadian based mineral exploration and development company whose primary assets are located in both Canada and Mexico. In Canada, Pinnacle holds several properties in Northwestern British Columbia, in proximity to numerous past and producing mines including the Silbak-Premier Mine and Barrick Gold's famed Eskay Creek Mine. In Mexico, Pinnacle has an option to acquire the Tuligtic property, a copper-gold target near Mexico City as well as an option to acquire the Rio Minas/La Calavera projects in the state of Oaxaca.

Pinnacle is managed by an experienced, international based board of directors. Three of the eight board members are senior mining engineers who have all been credited with the development of numerous mines worldwide. One director is a professional geologist and one board member is the founder of a multi-million dollar diversified enterprise group in China that controls the largest mining contractor to China's largest gold mine. In addition, all senior officers and board members have been instrumental in financing hundreds of millions of dollars for mineral exploration and subsequent mine development.

In British Columbia, Pinnacle's senior management and consulting geologists have been active in mineral exploration for over 30 years and were directly responsible for building at least three successful gold mines.

Corporate Information

Trading Symbols: TSX-Venture Exchange: **PNL** - Frankfurt Stock Exchange: **O7M**

Current Issued and Outstanding Shares: **20,573,247**

Fully Diluted: **25,361,015**

Added Capital Upon Dilution: **\$4,792,252**

Current Cash Position: **\$3.5 Million**

Current Debt: **Nil**

Directors: **Paul Saxton - Brad Cooke - Andrew Bowering - Steven Chi;
Gerald Sneddon - Susan Li - Fu Sheng Lan - Xi Ping Ke**

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