

**Assessment Report On
Technical Work On
The Following Claims**

519010	519023	
519011	519247	540452
519017	519248	540453
519018	519249	540454
519019	519250	540455
519020	519251	540456
519021	519252	

**Located
32 km Northeast of
Stewart, British Columbia
Skeena Mining Division**

**56 degrees 12 minutes latitude
129 degrees 40 minutes longitude
on
N.T.S. 104A/4**

Event Number: 4168115

Work permit # Mx-1-679

Project Period: July 11 to August 30, 2007

**On Behalf of
Pinnacle Mines Ltd.
Vancouver, B.C.**

Report By

A. Walus, M.Sc., P.Geo.

Date: November 20, 2007



**GEOLOGICAL SURVEY BRANCH
ASSESSMENT REPORT**

29,446

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SUMMARY

The Surprise Creek property is situated approximately 32 kilometers northeast of Stewart, British Columbia. The claim area is centered approximately on 56 degrees 12 minutes latitude and 129 degrees 40 minutes longitude on NTS sheet 104A. At the present time access to the claims is by helicopter from Stewart or from the Ellsworth logging camp on Highway 37 located about 30 km to the southeast. Highway 37, running between Stewart and Meziadin Junction comes within 2.0 kilometres from the southern boundary of the property.

The property consists of 19 claims totaling 7,472 hectares located between Todd and Surprise creeks. Ownership of all claims is presently 100 % registered with Pinnacle Mines.

The Surprise Creek property lies in the Stewart area, east of the Coast Crystalline Complex and within the western boundary of the Bowser Basin. Rocks in the area belong to the Mesozoic Stuhini Group, Hazelton Group and Bowser Lake Group that have been intruded by plutons of both Cenozoic and Mesozoic age.

The Surprise Creek claim group is underlain by a sequence of Jurassic clastic and volcanic rocks which trend north-south to northwest-southeast. The area is dominated by a major anticline, which displays eastern vergence. An area located close to the anticline's axial plane is occupied by reddish to maroon andesitic volcanoclastic and volcanic rocks of Betty Creek Formation. To the west and east of the anticline's axis there are felsic rocks of Mount Dilworth Formation (?). They form horizon, 70-200 metres wide, composed of apple green, light grey or white coloured felsic volcanic rocks which include: flows, intrusions and pyroclastic rocks.

Surprise Creek property features several types of mineralization described in detail in the 2005 assessment report. The most promising type of mineralization found on the property to date consists of extremely fine grained syngenetic pyrite, sphalerite and galena with high silver, mercury and manganese hosted in black chert, limestone and mudstone. This type of mineralization can be found mostly in numerous boulders and to a much lesser extent also in place. Contents of zinc, lead, silver and mercury in these rocks vary in a broad range from slightly elevated values to highs of 7.61% for zinc, 1.1% for lead, 106 g/t for silver, and 33,800 ppb for mercury.

It was also established that these numerous boulders derive from a big manganese stained horizon (or horizons) clearly visible (but not accessible) from a distance at the headwaters of Jagiello glacier. The extent of this mineralized horizon(s) is large since float with this type of mineralization can be found in every glacial valley located between Mt. Patullo and Highway 37, a distance of 12 kilometres.

The 2007 exploration program on Surprise Creek property consisted of 4 diamond drill holes totaling 1995 metres of NQ core. Drilling was done by Titan Drilling of Smithers, BC using a modified Longyear-38 drill. No camp was constructed on the property. Drillers stayed in Stewart and were transported every day to the job site by helicopter. Entire core from the drilling

was transported to Stewart where it was logged, sampled and later securely stored in a yard of an office building at 556 Railway Street jointly owned by Pinnacle Mines and Mountain Boy Minerals.

The 4 reconnaissance diamond drill holes completed on Surprise Creek property in 2007 did not test any specific target but were drilled within a broad area suspected of hosting at depth a Kuroko type VMS mineralization. The main purpose of the program was to learn about the local geology in order to narrow down an area for the next exploration program. The 2007 drilling on Surprise Creek property was successful in this respect. In addition, two holes from the program intersected parts of the VMS system. Hole SP07-04 intersected a weakly mineralized dacite crackle breccia believed to represent a footwall of the VMS system. A combined interval of 5 core samples (15.25 metres) from this rock returned anomalous values in silver (14.18 g/t), lead (0.07%) and zinc (0.16%). Another hole (SP07-02) intersected several zones of sericite alteration. The biggest zone, situated just below andesite/dacite volcanic sequence in epiclastic breccia is 66 metres thick. Sericite alteration zones are commonly found below as well as laterally to the VMS ore bodies. Their presence indicate proximity (usually in order of a few hundreds metres) to the VMS mineralization.

Altogether, 41 core samples were collected during the entire program. All samples were analyzed by Assayers Canada in Vancouver, British Columbia. They were assayed for silver, copper, lead and zinc, and analyzed for 30 elements ICP.

For the 2008 exploration season a total of 5,000 metres of drilling in 10-14 holes 350 to 500 metres long is recommended. The holes should be drilled in close proximity to the 2007 holes SP07-02 and SP07-04. The highest priority should be given for tracing the zones of sericite alteration encountered in hole SP07-02. Drilling should be followed by in hole geophysics. The cost of the 2008 drilling and geophysical program is estimated at 1,254,000 dollars.

INTRODUCTION

This report is based on the results of 2007 drilling program on Surprise Creek property. The program was conducted under author's supervision on behalf of Pinnacle Mines Ltd. in the period from July 11 to August 30, 2007. The pertinent statement on exploration work performed in this period was filed on September 04, 2007. Copy of this document is attached in Appendix III. Data from previous assessment reports and Minfile were also used. The complete list of sources used in this report is provided in references. For a practical reason of providing a better reference, a few glaciers located on the property were given informal names of Short, Long, Grunwald, Jagiello, Ataman and Sarmatia glaciers.

Location and Access

The property is situated approximately 32 kilometers northeast of Stewart, British Columbia. The claim area is centered approximately on 56 degrees 12 minutes latitude and 129 degrees 40 minutes longitude on NTS sheet 104A/4. Location of the claim area is shown on figures 1 and 2.

At the present time access to the claims is by helicopter from Stewart or from Ellsworth logging camp located on Highway 37 about 30 km to the southeast. Highway 37 running between Stewart and Meziadin junction comes just 2.0 kilometres from the southern boundary of the property. An old mining road (non-maintained) runs from the Highway 37 to the former gold-silver Nordore Mine, located approximately one kilometer to the southeast from the southeast corner of the property.

Physiography and Topography

The area of Surprise Creek property encompasses steep mountain slopes typical of the Coast Range region of British Columbia. The property includes the southern part of Mount Patullo and the headwaters of Surprise and Todd creeks. Topography is rugged with numerous glaciers transecting the area. Slopes range from moderate to precipitous. Elevations vary from about 600 m in the eastern portion of the property to about 2733 m (Mount Patullo). Most of the western part of the property is covered by ice and snow fields. Eastern part of the property is to large degree covered by glacial material. Overall, outcrops comprise approximately 30-35% of the property. Lower slopes of the mountain valleys are occupied by spruce and hemlock trees. Higher elevations are covered by alpine grass and heather.

Due to the large snowfall, the surface exploration is restricted to summer and early fall with the maximum rock exposure occurring in late August and September.



**SURPRISE CREEK
PROPERTY**

BRITISH

ALBERTA

COLUMBIA

PACIFIC

OCEAN

UNITED STATES

Kilometres
0 50

PINNACLE MINES LTD.	
SURPRISE CREEK PROJECT SKEENA MINING DIVISION, B.C.	
LOCATION MAP	
NTS: 104A/4	SCALE: As Shown
DATE: Nov., 2007	FIGURE: 1

Property Ownership

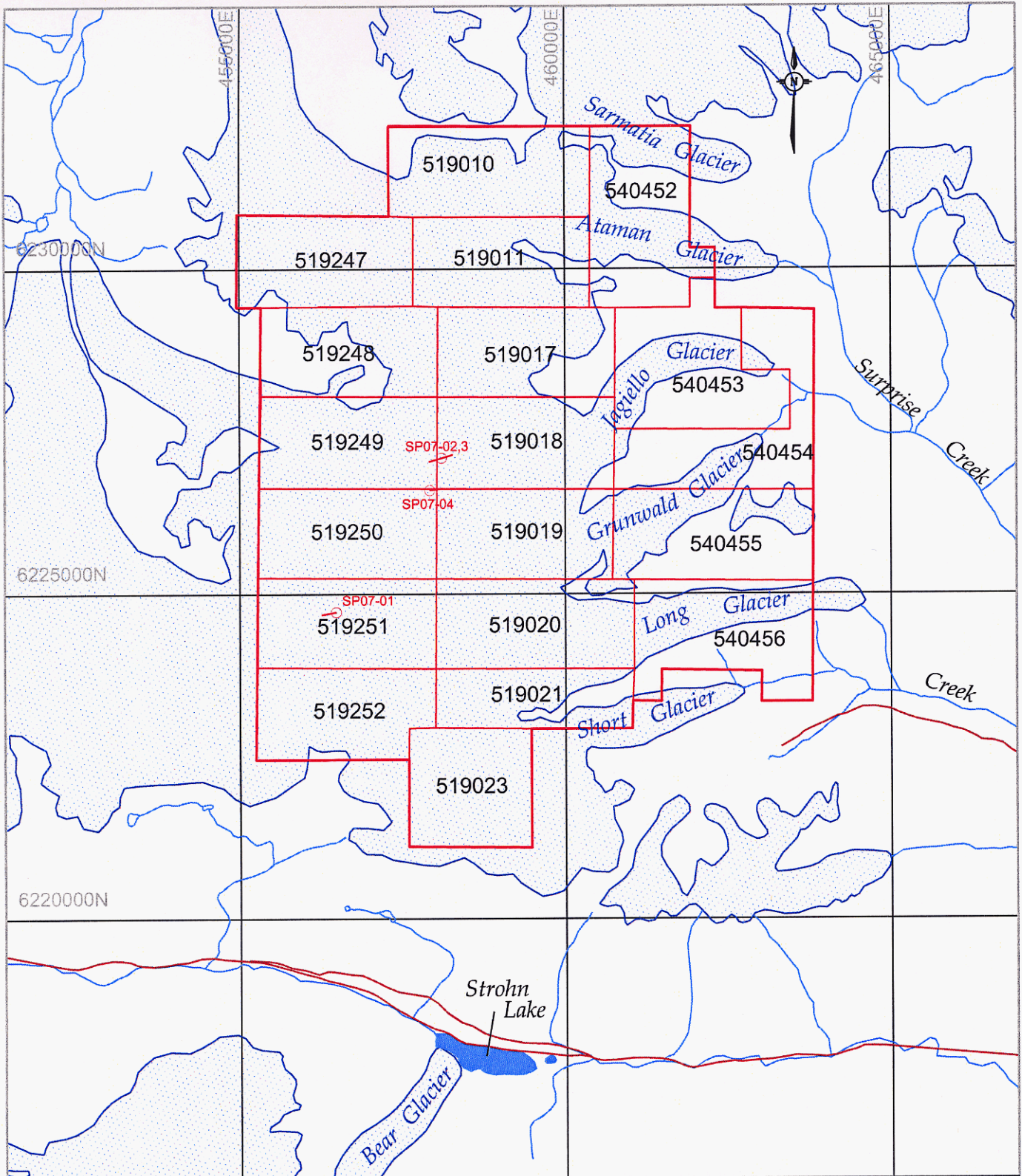
The Surprise Creek property consists of 19 claims totaling 7,472.10 hectares located between Todd and Surprise creeks. Claims location copied from Minfile database is presented in figure 2. Ownership of all 19 claims is presently 100 % registered with Pinnacle Mines Ltd. Relevant claim information with respective NTS map areas is summarized below.

<u>Tenure</u>	<u>NTS Map Area</u>	<u>Area in ha</u>	<u>Expiry Date</u>
519010	NTS 104 A	431.67	September 28/2011
519011	NTS 104 A	377.84	September 28/2011
519017	NTS 104 A	377.95	September 28/2011
519018	NTS 104 A	378.07	September 28/2011
519019	NTS 104 A	378.19	September 28/2011
519020	NTS 104 A	432.35	September 28/2011
519021	NTS 104 A	288.31	September 28/2011
519023	NTS 104 A	360.51	September 28/2011
519247	NTS 104 A	377.85	September 28/2011
519248	NTS 104 A	377.97	September 28/2011
519249	NTS 104 A	378.10	September 28/2011
519250	NTS 104 A	378.22	September 28/2011
519251	NTS 104 A	378.33	September 28/2011
519252	NTS 104 A	360.43	September 28/2011
540452	NTS 104 A	449.73	September 05/2011
540453	NTS 104 A	449.97	September 05/2011
540454	NTS 104 A	432.05	September 05/2011
540455	NTS 104 A	432.21	September 05/2011
540456	NTS 104 A	432.35	September 05/2011

Work History

The earliest recorded mining activity on the property was done on old Enterprise property (presently Eldorado claims) in early 20 century. Considerable work was reported on this property prior to 1919, including 30 meters of drifting along an adit. In the period 1928-1931, numerous adits and trenches were completed on the property. The showings are located along a large copper bearing belt. The best surface result was obtained from a 1.5 metres long trench which assayed 27.4 g/t Au, 68.6 g/t Ag and 2.3% Cu. In an adit located 30 m below and 15 metres to the east of this trench, a 1.4 m wide zone assayed 4.64 g/t Au and 2.1% Cu.

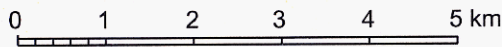
In 1978, Tournigan Mining Explorations and recently in 2004 Pinnacle Mines carried out surface sampling on the former Enterprise group.



LEGEND

-  Glacier
-  Creek and Lake
-  Road

SCALE



Outlines of the property and individual claims

2007 drill holes

PINNACLE MINES LTD.

SURPRISE CREEK PROJECT

SKEENA MINING DIVISION, B.C.

CLAIM MAP

NTS: 104A/4

SCALE: as shown

DATE: November, 2007

FIGURE: 2

The former Nordore (Goat) mine is located approximately 1 kilometre from the southeastern portion of the property. The showings were staked first in 1960 and then restaked in 1963 by Newmont Mining and Granby Mining. Noradco acquired the claims in 1964 and completed trenching, sampling and small (3 holes) drilling program on the property. In 1965, 2 adits were driven on the F vein and 2 raises were driven to the G vein. In 1971, Abitibi acquired the Shield Minerals interest as well as incorporated Nordore Mining Co. In 1974, Nordore rehabilitated the workings now on the Ken 1-4 and Goat A-H claims. In 1974, the Remus claims were acquired as a mill site. About 1770 tonnes of ore were stockpiled. In 1976, about 295 tonnes of ore was milled from a portable concentrator. Development work on the E vein recommenced in 1979 and "some" material was put through the concentrator. In 1980, underground development continued and the mill operated for several months. The mill was destroyed by fire in 1981 and all work ceased. Bond Gold carried out a geophysical survey over the property in 1990. In 1991, Cameco conducted geochemical surveys and sampling on the Ken and Hugh claims. Proven and probable reserves in 1979 were 8800 tonnes grading 4782.9 grams per tonne silver and 10.6 grams per tonne gold. Recorded production during 1975 and 1979-81 was 1,794,049 grams of silver, 5,475 grams of gold, 52,641 kilograms of zinc, 4,071 kilograms of lead and 153 kilograms of copper.

Considerable exploration work was done in the 70's and 80's on a former Surprise (Prise) property located to the northeast from Surprise Creek claims. Initially the property was held by Falconbridge who optioned it to Riocanex in 1981. The two extensive gossans on the property are more or less expression of the underlying pyrrhotite and pyrite bearing biotite hornfels and associated monzonite stock. These rocks host quartz-pyrite-pyrrhotite veins and pods which locally contain minor molybdenite and chalcopyrite are rare fluorite. Riocanex drilled three holes to test one of the two large gossaneous zones. All 3 holes intersected a section of quartz and feldspathic quartz arenite followed by a section of graphitic siltstone. Encountered mineralization consisted of 1-2 % combined pyrrhotite and pyrite; no assays were reported, one section was reported to contain 0.1 % MoS₂ by visual estimate.

The area of claim No. 519253 located on the southern boundary of the property covers an area formerly occupied by Barite and Von Claims. The area is underlined predominantly by andesitic tuffs, breccias and conglomerates. Mineralization includes numerous pyrite and quartz-pyrite veins and several narrow quartz-galena veins. Some prospecting and trenching was done in the 1970's and 1980's but there are no records for the work done. The claims were acquired by Teuton Resources in 1989. Next year, Teuton conducted soil, silt and rock sampling.

In 1994 and 1996, Teuton Resource Corp. conducted an exploration program consisting of reconnaissance geochemical rock and silt sampling in conjunction with prospecting and reconnaissance geological mapping. The work concentrated on area presently covered by claims No. 540453, 540454 and 540455. The program was focused on finding gold bearing mineralization.

In 2003 Pinnacle Mines collected a total of 78 rock samples from outcrop and float as well as 23 silt samples during an exploration program.

Assay results yielded highly anomalous values for gold, silver, lead, zinc, arsenic and copper. The highs for these metals were as follow: 13.02 ppm for gold, 3076.8 ppm for silver, >9999 ppm for lead, 56,866 ppm for zinc, >9999 ppm for arsenic and 28,026 ppm for copper.

In 2004 Pinnacle continued reconnaissance geochemical rock and silt sampling of the property. A total of 220 rock samples both from outcrop and float as well as 19 silt samples were collected during the exploration program. Assay results of the samples indicate highly anomalous values for gold, silver, lead, zinc, arsenic and copper. The highest assay for gold was 3.9 ppm, for silver 1305 ppm, for lead 9.1%, for zinc > 10,000 ppm, for arsenic >10,000 ppm and for copper 8.67%.

In 2005 Pinnacle continued exploration on Surprise Creek property. That year a total of 279 rock and 8 silt samples were collected. These samples represented abundant and diverse mineralization found on the property. The most important mineralization found on the property to date consists of extremely fine-grained syngenetic pyrite, sphalerite and galena with high silver, mercury, and manganese hosted in black chert, limestone and mudstone. Contents of zinc, lead, silver and mercury in these rocks vary in a broad range from slightly elevated values to the highs of 7.61% for zinc, 1.1% for lead, 106 g/t for silver, and 33,800 ppb for mercury.

In 2006 Pinnacle work focused on the area immediately west of Short, Long, Grunwald, Jagiello, Ataman and Sarmatia glaciers. This area features very intense zone of pervasive K-feldspar alteration which stretches out for at least 10 kilometres in the north-south and 4-5 kilometres in the east-west direction. The extent of this alteration zone was determined by K-feldspar staining of a few dozen samples collected from the area. The samples were stained using sodium cobaltinitrite. The intensity of K-feldspar alteration was determined in percentages by visual estimate of stained samples.

A total of 58 rock samples were collected during 2006 exploration program. The highest assays in 2006 exploration program came from the southeast corner of the property. Sample S06-1, a float of mudstone/siltstone with some hydrozincite and a few % of sphalerite, yielded 10.3g/t Ag, 0.2% Pb, 1.94% Zn and 6000 ppb Hg. Another sample (S06-2) from the same area (a float of silicified breccia composed of jasper fragments with 2-3% galena, 1-2% pyrite and trace malachite) returned 100.8g/t Ag, 3.62% Pb, 0.15% Zn and 3000ppb Hg.

GEOLOGY

Regional Geology

The Surprise Creek property lies in the Stewart area, east of the Coast Crystalline Complex and within the western boundary of the Bowser Basin. Rocks in the area belong to the Mesozoic Stuhini Group, Hazelton Group and Bowser Lake Group that have been intruded by plutons of both Cenozoic and Mesozoic age.

According to C.F. Greig, in G.S.C. Open File 2931, portions of the general Stewart area are underlain by Triassic age Stuhini Group. The Stuhini Group rocks either underlie or are in fault contact with the rocks of Hazelton Group. These Triassic age rocks consist of dark gray, laminated to thickly bedded silty mudstone, and fine to coarse-grained sandstone. Local

heterolithic pebble to cobble conglomerate, massive tuffaceous mudstone and thick-bedded sedimentary breccia and conglomerate also form part of the Stuhini Group.

The large exposure of Hazelton Group rocks on the west side of Bowser Basin has been named the Stewart Complex. It forms a north-northwesterly trending belt extending from Alice Arm to the Iskut River. At the base of the Hazelton Group is the lower Lower Jurassic volcanoclastic Unuk River Formation. This is overlain at steep discordant angles by a second, lithologically similar, middle Lower Jurassic volcanic package (Betty Creek Formation), which in turn is overlain by an upper Lower Jurassic thin felsic tuff horizon (Mt. Dilworth Formation). Middle Jurassic non-marine sediments with minor volcanics of the Salmon River Formation unconformably overlie the above volcanoclastic sequence.

The Unuk River Formation is at least 4500 metres thick, monotonous package of green andesitic rocks which include ash and crystal tuff, lapilli-tuff, pyroclastic breccia and lava flows.

The Betty Creek Formation represents another cycle of trough filling with a sequence of distinctively coloured red to green epiclastic rocks with interbedded tuffs and flows which range in composition from andesitic to dacitic.

The upper Lower Jurassic Mt. Dilworth Formation consists of a 20 to 120m thick sequence composed chiefly of variably welded dacite tuffs. Hard, resistant, often pyritic rocks of this formation often form gossaneous cliffs. Rocks of Mt. Dilworth Formation are important stratigraphic marker in the Stewart area.

The Middle Jurassic Salmon River Formation is a thick package of complexly folded sedimentary rocks which include banded, predominantly dark colored siltstone, greywacke, and sandstone with intercalated calcarenite rocks, minor limestone, argillite, conglomerate, littoral deposits, volcanic sediments and minor flows.

Overlying the above sequences are the Upper Jurassic Bowser Lake Group rocks. These rocks are exposed along the western edge of the Bowser Basin, they also occur as remnants on mountaintops in the Stewart area. These rocks consist of dark grey to black clastic rocks dominated by silty mudstone and thick beds of massive, dark green to dark grey, fine to medium grained arkosic sandstone.

A variety of intrusive rocks formed in the area during Early Jurassic and Tertiary periods. The granodiorites of the Coast Plutonic Complex largely engulf the Mesozoic volcanic terrain to the west. To the east, there are numerous smaller intrusions which range in composition from monzonite to granite. Some of them probably represent apophysis of the Coast plutonism, others are synvolcanic. Double plunging, northwesterly trending folds of the Salmon River and underlying Betty Creek Formations dominate the structural setting of the area.

Property Geology

The following description of the property's geology is based on the observations made by the author during 2005 and 2006 exploration programs as well as on GSC open file map by C. Greig (1994). For the property geology see figure 4 from 2006 Assessment Report on Surprise Creek claims.

The Surprise Creek claim group is underlain by a sequence of Jurassic clastic and volcanic rocks which trend north-south to northwest-southeast. The area is dominated by a major anticline, which displays eastern vergence. An area located close to the anticline's axial plane is occupied by reddish to maroon andesitic volcanoclastic and volcanic rocks of Betty Creek Formation. To the west and east of the anticline's axis there are felsic rocks of Mount Dilworth Formation (?). They form horizon, 70-200 metres wide, composed of apple green, light gray or white coloured felsic volcanic rocks which include: flows (with flow banded texture), intrusions and pyroclastic rocks. East of the felsic rocks of Mount Dilworth Formation (?) a monotonous sequence of thinly bedded mudstone, siltstone, tuffaceous chert, chert and cherty argillite belonging to Salmon River Formation are present. The pyrite-bearing black mudstones and argillites of this formation tend to weather to a rusty color. Area to the west of the rocks of Mount Dilworth Formation (?) is underlined by a thick sequence of undivided mostly intermediate volcanic, pyroclastic and epiclastic rocks with subordinate amounts of intercalated sedimentary rocks which include: gray to black limestone, chert and mudstone. Volcanic rocks in this area are dominated by feldspar, feldspar-hornblende and feldspar-augite porphyritic andesites. All these rocks most likely belong to Betty Creek Formation.

The structural pattern of the Surprise Creek property is only partly understood due to incomplete exposure from beneath an ice sheet and widespread K-feldspar alteration obliterating earlier structures. The orientation of bedding planes is variable across the property with the majority of planes oriented NW-SE with NE dip. The bedding is reoriented on limbs of the folds with hinges trending NW-SE to NNW-SSE. The folds axes are plunging gently to the NNW (340/35) or locally to the SE (140/20). In nearly all lithologies except for the massive andesites, there is a well-developed axial cleavage of folds. The cleavages planes dip steeply to the NNE or NE. The attitude of cleavage together with the geometry of outcrop-scale folds indicate the SW-ward vergency of map-scale fold structures. The majority of exposures represent normal NE-dipping limbs of these folds. Locally, in particular directly east of the main ridge, a very steep overturned limb is exposed. The K-feldspar altered rocks bear fairly consistent foliation inclined to the W or SSE at a moderate angle. The orientation of the foliation seems to be unrelated to the position of bedding and axial cleavage of folds. The outcrops of K-feldspars altered rocks are at least partly bounded by faults (255/65 NW; 146/78 SW).

A number of meso- to map-scale faults occur in the area. They strike mostly NW-SE and NE-SW and form two conjugate sets developed under a N-S compression regime. In one case, a thrust was observed having the SW-ward polarity (150/40 NE oriented plane) and the amplitude exceeding a few dozen meters.

Mineralization and alteration

Surprise Creek property features several types of mineralization described in detail in 2005 assessment report. The most significant mineralization types are listed below:

Types of mineralization found both in place and float:

1. Extremely fine grained syngenetic pyrite, sphalerite and galena with high silver, mercury, and manganese hosted in black chert, limestone and mudstone.
2. Exhalite

Types of mineralization found in float only:

3. Very strongly silicified andesite/dacite with pyrite, sphalerite, galena, and chalcopyrite.
4. Precious metals bearing quartz with pyrite, arsenopyrite, chalcopyrite, galena, sphalerite and tetrahedrite.
5. Quartz with sphalerite and galena.

The first type of mineralization i.e. extremely fine grained syngenetic pyrite, sphalerite and galena with high silver, mercury and manganese hosted in black chert, limestone and mudstone is by far the most promising of all mineralization types found on the property to date. This type of mineralization can be found mostly in numerous boulders and to much lesser extent also in place. Extensive sampling of rocks with this type of mineralization revealed that contents of zinc, lead, silver and mercury vary in a broad range from slightly elevated values to the highs of 7.61% for zinc, 1.1% for lead, 106 g/t for silver, and 33,800 ppb for mercury.

It was also established that these numerous boulders derive from a big manganese stained horizon (or horizons) clearly visible (but not accessible) from a distance at the headwaters of Jagiello glacier. The extent of this mineralized horizon(s) is large since float with this type of mineralization can be found in every glacial valley located between Mt. Patullo and Highway 37, a distance of 12 kilometres.

The area to the west of this big mineralized horizon(s), situated immediately west of Short, Long, Grunwald, Jagiello, Ataman and Sarmatia glaciers feature very intensive alteration with extremely fine-grained, submicroscopic K-feldspar. The alteration zone stretches out for at least 10 kilometres in the north-south direction and 4-5 kilometres in the east-west direction.

DRILLING

Introduction

The 2007 exploration program on Surprise Creek property consisted of 4 reconnaissance diamond drill holes totaling 1995 metres of NQ core. Information about each hole azimuth, dip and GPS coordinates is included in drill logs (see appendix I). All the drilling was done from 3 pads which locations are shown on figures 2 and 3. Drilling was done by Titan Drilling of Smithers, BC using a modified Longyear-38 drill. No camp was constructed on the property. Drillers stayed in Stewart and were transported every day to the job site by helicopter. Most of helicopter support was done by 206 Bell helicopter provided by Hayes, a helicopter services company from Duncan BC, from its field base in Stewart. A 212 helicopter provided by VIH from its field base also in Stewart was used to move the heaviest parts of the drill. Entire core from the drilling was transported to Stewart where it was logged, sampled and later securely stored in a yard of an office building at 556 Railway Street jointly owned by Pinnacle Mines and Mountain Boy Minerals.

Drilling Results

Hole SP07-01 was designed to test at depth a large and intense zone of K-feldspar alteration outlined in 2006 exploration program. The hole was drilled approximately in the middle of this large alteration zone. It was suspected that at depth, this area may host a lead-zinc-silver VMS mineralization similar to mineralization found as numerous float to the east.

The hole intersected a sequence of volcanic rocks ranging in composition from andesite to dacite. At least part of these rocks represent lava flows as amygdoidal texture was noted in a few places. Rocks displaying fragmental texture were described as tuffs and lapilli-tuffs. In many cases rocks designations are not certain because the primary textures were obliterated as a result of very strong K-feldspar alteration. Strong to complete K-feldspar alteration was observed in the following intervals: 0.00-50.32m, 178.0 – 358.37 and 423.64 - 448.35 metres. The remainder of the hole is weakly to moderately sericitized, chloritized and silicified.

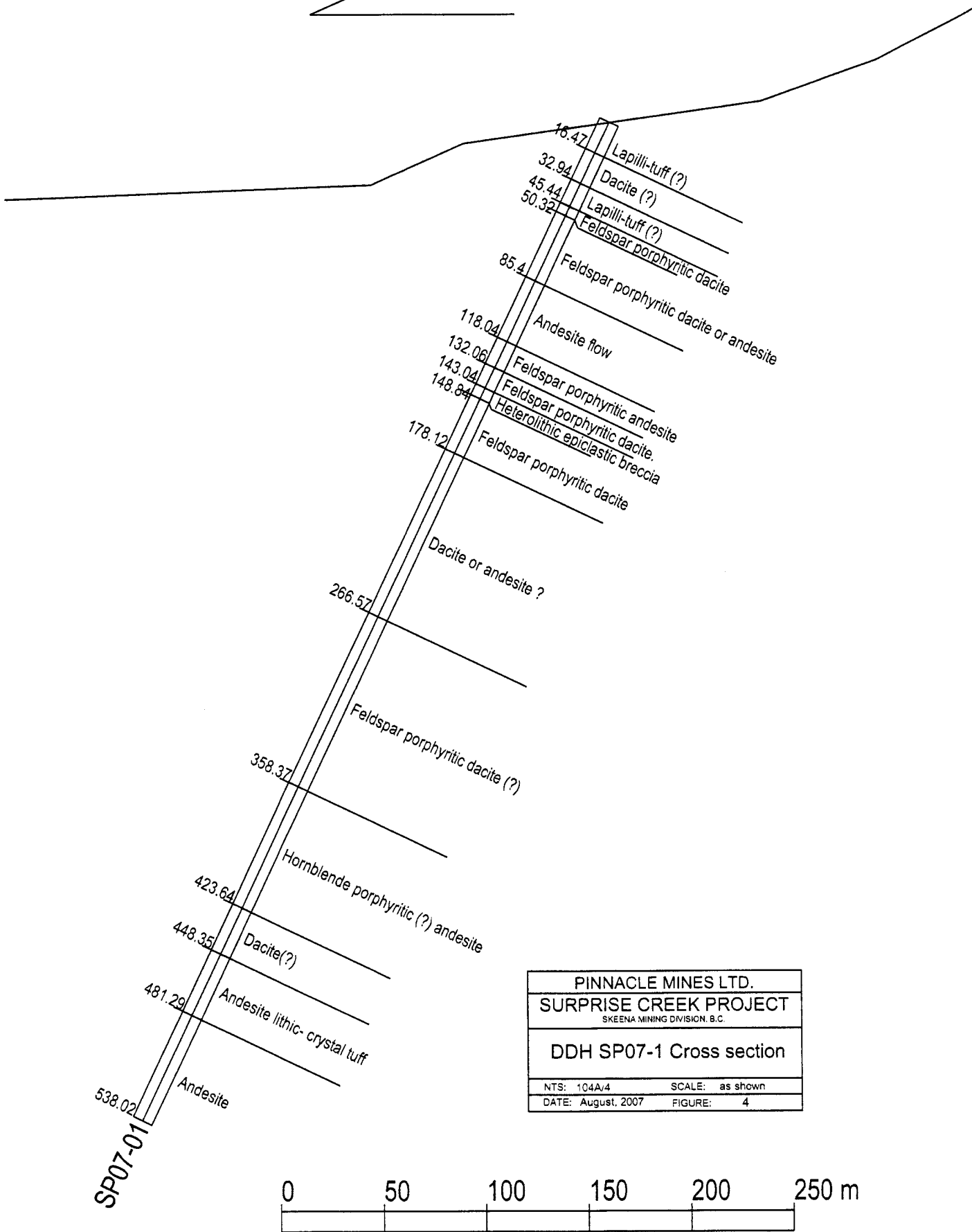
The hole does not contain any significant amounts of sulphides; however, trace to minor amounts of galena, sphalerite and chalcopyrite are sparsely distributed throughout the entire length of the hole. Pyrite content ranges from trace to 5%. Out of 15 samples taken from the hole, thirteen showed anomalous values in silver, copper, lead and zinc. The highest assays came from sample SP-15 (503.86-506.45m) of strongly silicified andesite with 5-7% extremely fine grained pyrite and minor galena. The sample returned 45.9 g/t silver, 0.095% chalcopyrite, 0.14% lead, and 0.24% zinc over 2.59 m.

Hole SP07-02 was planned to intersect at depth a manganese stained horizon(s) seen (but not accessible) at the headwaters of Jagiello glacier. This horizon(s), believed to be a distal part of Kuroko style VMS system, is most likely the source of numerous float of mudstone, limestone and chert containing syngenetic, extremely fine grained pyrite, sphalerite and galena. Assays from this float sampled in 2005 and 2006 in glacial valleys to the east, vary in a broad range from slightly elevated values to the highs of 7.61% for zinc, 1.1% for lead, 106 g/t for silver, and 33,800 ppb for mercury. The second reason to drill in this location was the presence of numerous replacement zones of jasper, often with amygdoidal texture. Such texture is indicative of boiling conditions which in turn point to a vent area, where often economic concentrations of sulphides occur.

From 0.0 to 244 metres the hole encountered a sequence of volcanic rocks ranging in composition from andesite to dacite. These rocks commonly display porphyritic texture with feldspar and hornblende (?) as phenocrysts. They are pervasively, weakly to moderately K-feldspar altered and possibly also silicified. From 244.09 to 478.88 metres (end of the hole) the hole intersected reddish-purple coloured epiclastic breccia dominated by angular to semi-rounded fragments of different volcanic rocks up to several cm across. Within the same interval there are 7 alteration zones composed of olive green sericite. Two most prominent of these zones are from 191.84 to 206.03 and from 244.09 to 310.25 metres.

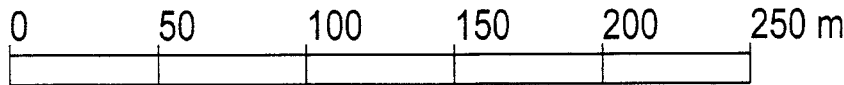
The hole encountered only minor amounts of galena, chalcopyrite and up to 3% pyrite sporadically noted in quartz-carbonate-jasper veins, replacements and breccia zones. A total of 12 core samples were collected from the hole. The best results came from sample SP-18 which returned 84.2 g/t Ag, 0.36% Cu, 0.07% Pb, and 0.04% Zn over 1.52 metres.

260°

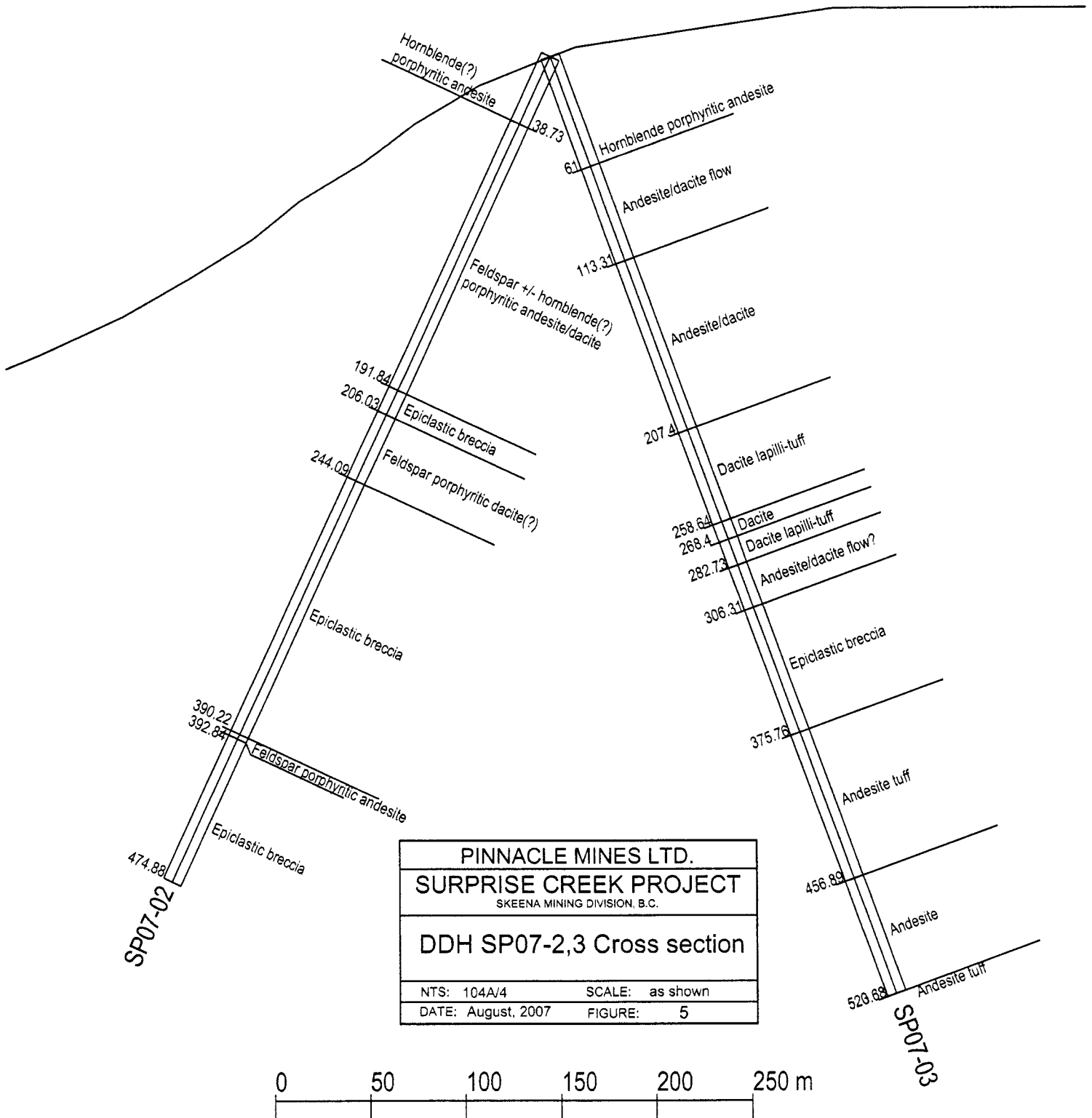


SP07-01

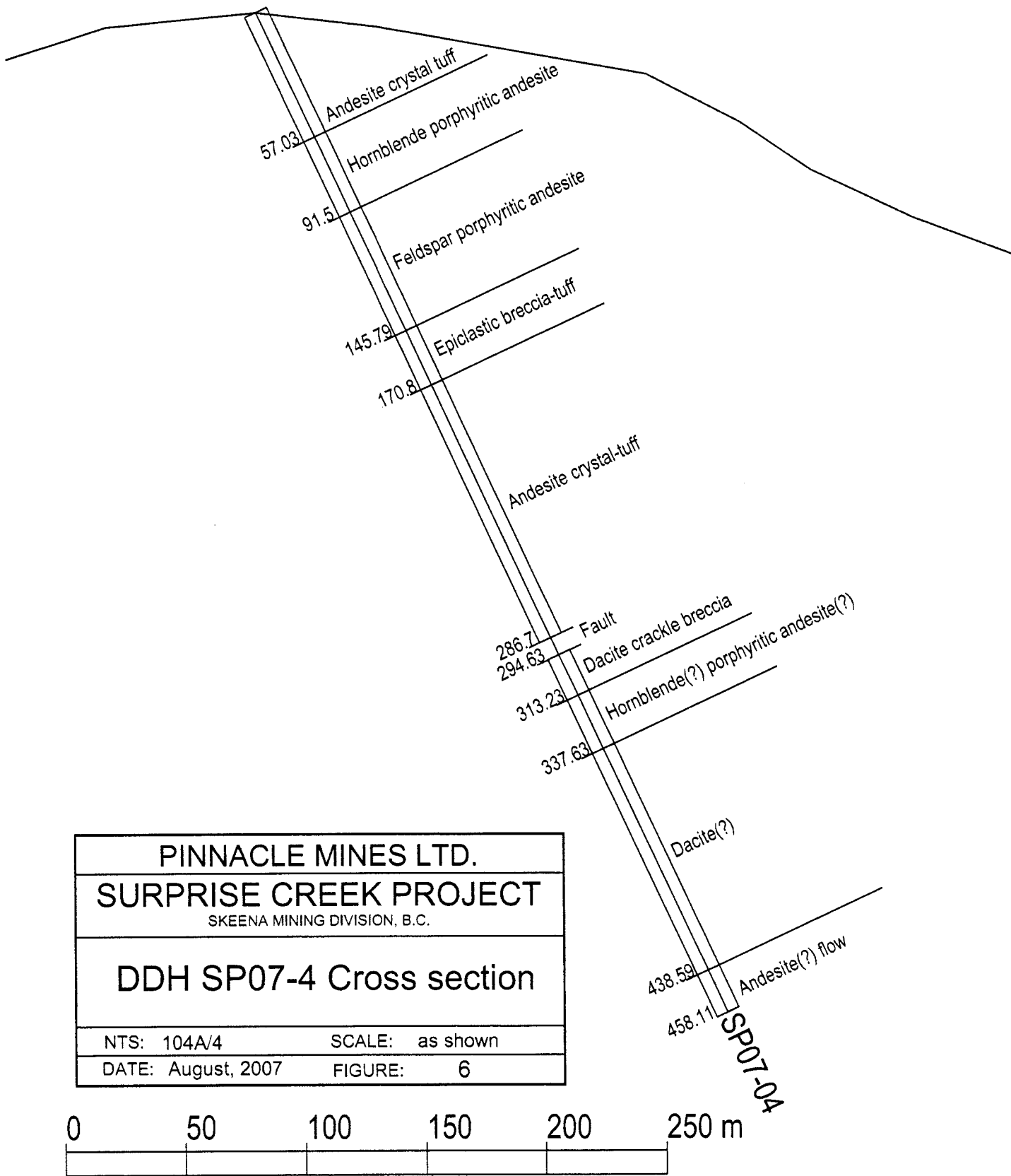
PINNACLE MINES LTD.	
SURPRISE CREEK PROJECT	
SKEENA MINING DIVISION, B.C.	
DDH SP07-1 Cross section	
NTS: 104A/4	SCALE: as shown
DATE: August, 2007	FIGURE: 4



74°



83°



Hole SP07-03 was drilled for the same reasons as hole SP07-02.

The hole intersected mostly a variety of volcanic rocks which include tuffs, lapilli-tuffs, lava flows and subvolcanic intrusions ranging in composition from felsic to intermediate. From 306.31 to 375.76 the hole encountered epiclastic breccia similar as the one in hole SP07-02. From 0.0 to 306.31 m the rocks display pervasive K-feldspar alteration and possibly also silicification ranging in intensity from weak to very strong.

No significant amount of sulphides was noted in the hole. In a few places, up to 2% pyrite with trace galena was spotted along with quartz, carbonate and jasper which form veins, replacements and breccia cement. A total of 7 samples were collected from the hole. The best assay came from quartz replacement with 1-2% pyrite and minor galena. It returned 75.7 g/t Ag, 0.069% Cu, 1.09% Pb, and 0.22% Zn over 1.07 metres.

Hole SP07-4 was drilled for the same reasons as holes SP07-02 and SP07-03.

From surface to 286.70 metres the hole intersected andesite crystal tuff, porphyritic andesite and epiclastic breccia-tuff. These rocks are weakly to moderately K-feldspar and possibly silica altered. From 286.70 to 294.63 the hole encountered major fault. Immediately below the fault lies dacite crackle breccia to various degree replaced by dark gray chalcedonic quartz with 1 to 10% fine grained pyrite, trace to minor sphalerite and sporadically minor galena. This rock is underlain by moderately to strongly silicified and /or K-feldspar altered hornblende (?) porphyritic andesite (?). Still lower, there is dacite (?) to dacite(?) breccia. Brecciated sections of this rock are partly replaced by gray chalcedonic quartz with 3-5% pyrite and sporadically trace to minor sphalerite in the upper part of this interval. On the very bottom of the hole there is a strongly K-feldspar altered andesite flow (?). From this hole a total of 6 samples were taken, including 5 contiguous chip samples (each 3.05 m in length) from weakly mineralized dacite crackle breccia just below the major fault. A combined interval of these 5 samples (15.25 metres) assayed an average of 14.18 g/t Ag, 0.006% Cu%, 0.07% Pb and 0.16% Zn.

Full details of the 4 holes drilled on Surprise Creek property in 2007 are included in drill logs (Appendix I). Cross sections of these holes are shown on figures 4, 5 and 6.

GEOCHEMISTRY

Introduction

Altogether 41 core samples were collected during the entire program. All samples were analyzed by Assayers Canada, in Vancouver, British Columbia. All samples were assayed for silver, copper, lead and zinc and analyzed for 30 elements ICP. Description of core sample intervals along with their assays for silver, copper, lead and zinc are presented in drill logs in Appendix I.

Field Procedure and Laboratory Technique

Core samples were obtained by cutting the marked core intervals with diamond saw and placing half of the core of these intervals into the marked plastic bags.

Rock samples were first crushed to minus 10 mesh (70 % of sample) using jaw and cone crushers. Then 250 grams of the minus 10-mesh material was pulverized to minus 150 mesh using a ring pulverizer. A modified Aqua Regia solution is added to each sample and leached for 1 hour at greater than 95 degrees Celsius. The resulting solution was then analyzed by atomic absorption. The analytical results were then compared to prepared standards for the determination of the absolute amounts. For the determination of the remaining trace and major elements Inductively Coupled Argon Plasma (ICP) was used. In this procedure a 0.5-gram portion of the minus 140-mesh material is digested with aqua regia for 1 hour at 95 degrees Celsius and made up to a volume of 20 mls prior to the actual analysis in the plasma. Again the absolute amounts were determined by comparing the analytical results to those of prepared standards.

Laboratory procedures for specific metals are presented below:

Procedure summary for copper, lead, zinc and silver assays:

A 1.000 gram sub-sample is weighed from the pulp bag for analysis. Each batch of 30 assays has three duplicates, two natural standards and a reagent blank included. The samples are digested with HNO₃, HBr, and HCl. After digestion is complete, extra HCl is added to the flask to bring the concentration of HCl to 25% in solution. This is to prevent precipitation of lead and silver chloride. The resulting solutions are analyzed on an atomic absorption spectrometer (AAS), using appropriate calibration standard sets.

The natural standard(s) digested along with this set must be within 2 standard deviations of the known or the whole set is re-assayed. If any of the samples assay over the concentration range of the calibration curve, the sample is re-assayed using a smaller sample weight. At least 10% of samples are assayed in duplicate.

Detection limit: 0.001% for Copper, 0.001% for molybdenum, 0.01% for lead, 0.1 g/tonne for silver, 0.01% for zinc

Statistical Treatment of Data

In this program (similarly as in other small geochemical surveys) a statistical treatment of geochemical data according to standard methods was not considered practical as anomalous values for specific metals would vary considerably depending on the rock type. Instead, the author has chosen anomalous levels for specific metals by reference to several other geochemical programs conducted on other properties in the Stewart area over the last 15 years. On this basis, the following anomalous levels are considered anomalous on Surprise Creek property and elsewhere in the Stewart area: gold values greater than 100 ppb, silver values greater than 3.2 ppm, lead values greater than 160 ppm, zinc values greater than 320 ppm, copper values greater than 200 ppm, and mercury values greater than 200 ppb.

CONCLUSIONS AND DISCUSSION

The 2007 drilling program on Surprise Creek property consisted of 4 reconnaissance diamond drill holes totaling 1995 metres. These holes did not test any specific target but were drilled within a broad area suspected of hosting at depth a Kuroko type VMS mineralization. The main purpose of the program was to learn about the local geology in order to narrow down an area for the next exploration program. The 2007 drilling on Surprise Creek property was successful in this respect. In addition, two holes from the program intersected parts of the VMS system. Hole SP07-04 intersected (just below the major fault) a weakly mineralized dacite crackle breccia believed to represent a footwall of the VMS system. A combined interval of 5 core samples (15.25 metres) from this rock returned anomalous values in silver (14.18 g/t) lead (0.07%) and zinc (0.16%). Litologically and geochemically this rock closely resembles a footwall of a VMS mineralization encountered in many holes drilled on a BA property in 2006 and 2007. The BA property is located a few kilometers south of Surprise Creek property and hosts the same type of Kuroko style VMS mineralization. A complete cross section through the VMS system from the BA property (encountered in many holes drilled in 2006 and 2007) looks as follow: The top of the system consists of centimetre scale banded, red exhalite. Below lies VMS mineralization composed of extremely fine grained pyrite, sphalerite and galena which either form millimetre scale lamination (often contorted and disturbed) or are included in mudstone dominated matrix of a volcano-sedimentary breccia. This sediment hosted VMS mineralization is underlain by weakly mineralized dacite crackle breccia, very similar to dacite crackle breccia intersected in hole SP07-04 on Surprise Creek property. No sediment hosted VMS mineralization was intersected in hole SP07-04 as it was cut off by a fault. Also in hole SP07-04, an alteration zone was encountered in dacite, just below weakly mineralized dacite crackle breccia. The zone, almost 27 metres thick, is composed of olive green sericite (XRD analysis determined this mineral as illite). In hole SP07-02 the same sericite alteration is much more widespread and intense forming six separate zones. The biggest of these zones, situated just below andesite/dacite volcanic sequence in epiclastic breccia is 66 metres thick. Interestingly, similar olive green sericite alteration located in the footwall of VMS mineralization was encountered in several holes drilled by Mountain Boy Minerals on the BA property in 2007 (Ed. Kruckowski – personal communication). Sericite alteration zones are commonly found below and laterally to the VMS ore bodies. Their presence indicate proximity (usually in the order of a few hundreds metres) to the VMS mineralization.

RECOMMENDATIONS

For the 2008 exploration season a total of 5,000 metres of drilling in 10-14 holes 350 to 500 metres long is recommended. The holes should be drilled in close proximity to the 2007 holes SP07-02 and SP07-04. The highest priority should be given for tracing the zones of sericite alteration encountered in hole SP07-02. Drilling should be followed by in hole geophysics. The cost of the 2008 drilling and geophysical program is estimated at 1,254,000 dollars.

Estimated Cost of the Program

A total of 5,000 metres of drilling @ \$140/a metre (all inclusive).....	700,000
Geologist, 80 days @300/a day.....	24,000
Field assistant, 80 days @ \$250/a day.....	20,000
Drilling pads.....	20,000
Mob/demob.....	10,000
In hole geophysics.....	50,000
Helicopter support.....	260,000
Expediting.....	15,000
Core cutting.....	5,000
Vehicle rental.....	5,000
Assaying.....	10,000
Accommodation and food (in Stewart).....	30,000
Report.....	5,000
Subtotal.....	1,154,000
Contingency (10%).....	100,000
Total.....	\$1,254,000

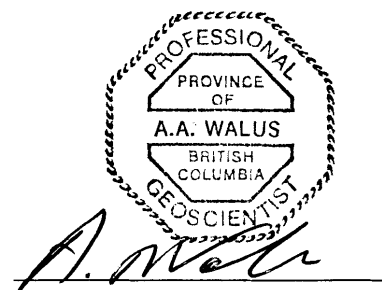
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CERTIFICATE OF AUTHOR'S QUALIFICATIONS

I, Alojzy Aleksander Walus, of 8546-164 Street, Surrey, in the Province of British Columbia, do hereby certify that:

1. I am a graduate of the University of Wroclaw, Poland and hold M.Sc. Degree in Geology.
2. I am a consulting geologist working on behalf of Pinnacle Mines Ltd.
3. I have worked in British Columbia from 1988 to 2007 as a geologist with several exploration companies.
4. I am a member in good standing of the Association of Professional Engineers and Geoscientists of the Province of British Columbia.
5. This report is based on my work completed on the Surprise Creek property in the period from July 11 to August 30, 2007, as well as on work completed on this property in 2005 and 2006. The author also has a general knowledge of the Stewart region gained during exploration programs in the period 1988 - 2007.
6. I am familiar with VMS deposits having visited and worked on these types of deposits in the Stewart and other areas.
7. I authorize Pinnacle Mines Ltd. to use information in this report or portions of it in any brochures, promotional material or company reports.



DATED AT VANCOUVER, B.C., November 20, 2007-----Alojzy A. Walus, P.Geo.

STATEMENT OF EXPENDITURES – EVENT # 4168115

Field personnel:

Alex. Walus, geologist
46 days @\$300/day.....13,800.00
Anastasia Walus, field assistant
4 days @ \$160/day.....640.00

Helicopters

Hayes Helicopters, temporary field base in Stewart, BC
Total of 103.1 hours @1194.8/hour.....\$123,183.88
212 Helicopter provided by VIH Helicopter from base in Stewart, BC
Total 5.1 hours @ \$3025/hour.....\$15,427.5

Drilling, 1995 metres of NQ core (all inclusive).....275,674.00
Three drilling pads (labour plus lumber).....4,165.00
Sample analysis, 41 samples @ \$21.90 per sample.....897.90
Food/accommodation, 234 man/days @ 74\$ per day per man.....17,316.00
Vehicle rental plus gas.....2,800.00
Samples shipment.....286.23
Field equipment and supplies4,345.00
Report3,160.00

Total \$461,695.51

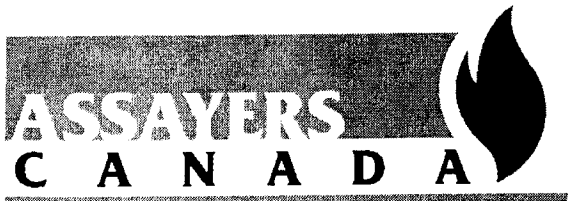
APPENDIX I

DRILL LOGS WITH CORE SAMPLES RESULTS

SURPRISE CREEK DIAMOND DRILL LOG

DDH: SP07-1		Total depth: 538.02 m	Core size: NQ	Logged by: A. Walus							
Azimuth: 260°		Start: July 23, 2007		Easting: 456476		Northing: 6224728					
Inclination: 64.5°		Completion: July 31, 2007		Elevation: 1728 m							
Interval(m)		Rock type	Rock description - alteration, mineralization, texture	Sample interval (metres)				Assay			
From	To			Spl.	From	To	Width	Ag(g/t)	Cu%	Pb%	Zn%
0.00	0.61	Casing									
0.61	16.47	Lapilli-tuff	Lapilli-tuff (?) of unknown composition. The rock is completely K-feldspar lesser quartz altered. Quartz is of gray colour, chalcedonic. Minor scattered pyrite throughout. Sporadically patches and veinlets of dark-green chlorite.								
16.47	32.94	Dacite (?)	Strongly fractured to brecciated rock dominated by strongly K-feldspar altered dacite (?) clasts 0.3-0.5 cm across. The clasts are set in a groundmass composed of chalcedonic quartz, dark green chlorite, hematite and locally minor sphalerite and galena. Sphalerite and galena are late, filling mostly microfractures and forming small scattered grains.	SP-1	16.47	18.00	1.53	5.00	0.01	0.01	<0.01
				SP-2	18.00	19.52	1.53	4.60	0.00	0.01	0.02
				SP-3	19.52	21.05	1.53	10.90	0.02	0.01	0.01
				SP-4	21.05	22.57	1.53	5.30	0.01	0.04	0.04
				SP-5	22.57	24.10	1.53	2.00	0.01	0.01	0.01
				SP-6	24.10	25.62	1.53	1.90	0.00	0.01	<0.01
				SP-7	25.62	28.67	3.05	2.50	0.01	0.01	0.01
				SP-8	28.67	30.20	1.53	18.80	0.02	0.03	0.03
				SP-9	30.20	32.94	2.75	4.60	0.01	0.01	0.02
23.79	24.86		Interval with 15-20% epidote (?)								
32.94	45.44	Lapilli- tuff (?)	Lapilli-tuff (?) of uncertain composition very strongly K-feldspar altered. 3-5% scattered, small patches of black- green chlorite. Limonite and wad on fractures. At 36.6m there is 1 cm wide quartz chalcopyrite vein @ 80 degrees to c/a.								
36.90	37.00		Interval with 3-5% siderite or sphalerite(?).								
45.44	50.32	Feldspar porphyritic dacite	Light green rock with 10-15% small feldspar phenocrysts. Moderate sericite-chlorite alteration.								
46.97	50.02		Interval with 1-2% pale beige siderite or sphalerite occurring mostly as infilling of small microfractures.	SP-10	46.94	50.02	3.08	0.8	0.007	<0.01	0.07

APPENDIX II
COMPLETE GEOCHEMICAL RESULTS



Assayers Canada
 8282 Sherbrooke St.
 Vancouver, B.C.
 V5X 4R6
 Tel: (604) 327-3436
 Fax: (604) 327-3423

Quality Assaying for over 20 Years

Assay Certificate

7S-0063-RA1

Company: **Pinnacle Mines**
 Project: **Surprise Creek**
 Attn: **Paul Saxton**

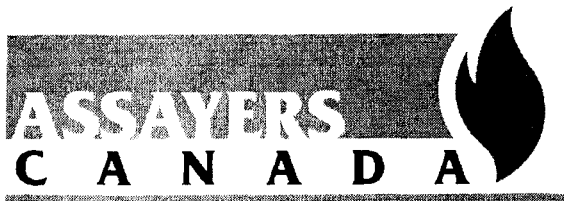
Aug-16-07

We hereby certify the following assay of 24 core samples submitted Aug-13-07 by Alex Walus.

Sample Name	Ag g/tonne	Cu %	Pb %	Zn %
SP-01	5.0	0.012	0.01	<0.01
SP-02	4.6	0.004	0.01	0.02
SP-03	10.9	0.017	0.01	0.01
SP-04	5.3	0.012	0.04	0.04
SP-05	2.0	0.006	0.01	0.01
SP-06	1.9	0.003	0.01	<0.01
SP-07	2.5	0.014	0.01	0.01
SP-08	18.8	0.016	0.03	0.03
SP-09	4.6	0.010	0.01	0.02
SP-10	0.8	0.007	<0.01	0.07
SP-11	3.5	0.006	0.01	0.02
SP-12	6.4	0.023	0.67	<0.01
SP-13	<0.1	0.007	0.01	<0.01
SP-14	<0.1	0.012	0.01	<0.01
SP-15	45.9	0.095	0.14	0.24
SP-16	47.7	0.069	1.40	0.39
SP-17	1.1	0.009	<0.01	0.01
SP-18	84.2	0.360	0.07	0.04
SP-19	1.0	0.005	0.01	0.01
SP-20	<0.1	0.006	0.01	0.01
SP-21	0.3	0.003	<0.01	0.02
SP-22	0.7	0.002	<0.01	0.02
SP-23	35.7	0.029	0.45	0.03
SP-24	8.7	0.038	0.04	0.02
*DUP SP-01	4.8	0.012	0.01	<0.01
*DUP SP-10	1.2	0.006	<0.01	0.07
*DUP SP-20	0.2	0.005	0.01	0.01
*CCu-1c	130.7		0.33	3.98
*CZn-3		0.684		
*BLANK	<0.1	<0.001	<0.01	<0.01

4 Acid Digest AA finish

Certified by



Assayers Canada
8282 Sherbrooke St.
Vancouver, B.C.
V5X 4R6
Tel: (604) 327-3436
Fax: (604) 327-3423

Quantity changing from core to fines

Assay Certificate

7S-0063-RA2

Aug-16-07

Company: **Pinnacle Mines**
Project: **Surprise Creek**
Attn: **Paul Saxton**

We hereby certify the following assay of 1 core sample submitted Aug-13-07 by Alex Walus.

Sample Name	Ag g/tonne	Cu %	Pb %	Zn %
SP-25	182.0	0.017	0.20	<0.01
*DUP SP-25	182.2	0.016	0.21	<0.01
*CCu-1c	128.1		0.33	3.97
*CZn-3		0.683		
*BLANK	<0.1	<0.001	<0.01	<0.01

4 Acid Digest AA finish

Certified by



Quality Assaying for over 25 Years

Assay Certificate

7S-0074-RA1

Page 1 of 2

Sep-24-07

Company: **Pinnacle Mines**
Project: **Surprise Creek**
Attn: **Paul Saxton**

We hereby certify the following assay of 24 rock samples submitted Sep-05-07

Sample Name	Ag g/tonne	Cu %	Pb %	Zn %	Hg ppb
SP-26	8.0	0.006	0.02	0.03	
SP-27	75.7	0.069	1.09	0.22	
SP-27A	22.9	0.033	0.04	0.01	
SP-28	6.4	0.009	0.04	0.02	
SP-29	37.4	0.074	0.02	0.01	
SP-30	7.2	0.005	0.02	0.02	
SP-31	5.9	0.018	0.01	0.02	
SP-32	12.3	0.016	0.14	0.12	
SP-33	4.9	0.003	0.02	0.02	
SP-34	8.2	0.010	0.03	0.01	
SP-35	10.6	0.006	0.01	0.03	
SP-36	8.3	0.005	0.02	0.01	
SP-37	12.5	0.006	0.11	0.15	
SP-38	11.9	0.004	0.06	0.17	
SP-39	23.8	0.009	0.08	0.32	
SP-40	10.5	0.006	0.04	0.12	
SP-41	12.2	0.003	0.05	0.03	
A07-01	0.8	0.004	0.01	0.01	261
A07-02	0.4	0.005	<0.01	0.01	173
A07-03	0.9	0.003	0.01	0.03	104
A07-04	1.2	0.005	<0.01	0.05	563
A07-05	0.4	0.002	0.01	0.01	188
A07-06	0.6	0.001	<0.01	<0.01	236
A07-07	0.5	0.004	<0.01	0.01	63
*DUP SP-26	8.0	0.006	0.02	0.03	
*DUP SP-34	9.2	0.010	0.03	0.01	
*DUP A07-01					276
*DUP A07-03	1.0	0.002	0.01	<0.01	
*CCu-1c	128.5		0.34	3.96	
*CZn-3		0.688			

Surprise Creek

Certified by

Pinnacle Mines
 Attention: Paul Saxton
 Project: Surprise Creek
 Sample type:

Assayers Canada
 8282 Sherbrooke St., Vancouver, B.C., V5X 4R6
 Tel: (604) 327-3436 Fax: (604) 327-3423

Report No : 7S0063RJ
 Date : Aug-16-07

Multi-Element ICP-AES Analysis
 Aqua Regia Digestion

Sample Number	Ag ppm	Al %	As ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Hg ppm	K %	La ppm	Mg %	Mn ppm	Mo ppm	Na %	Ni ppm	P ppm	Pb ppm	S %	Sb ppm	Sc ppm	Sr ppm	Th ppm	Ti %	Tl ppm	U ppm	V ppm	W ppm	Zn ppm	Zr ppm
SP-01	5.0	0.17	13	72	<0.5	<5	0.15	3	2	66	106	1.23	<1	0.22	22	0.05	613	2	0.01	2	712	53	0.07	23	2	1	<5	<0.01	<10	<10	7	<10	95	8
SP-02	5.0	0.29	15	77	<0.5	<5	0.21	5	4	66	40	3.63	<1	0.22	27	0.16	930	<2	0.01	3	874	90	0.08	19	5	3	9	<0.01	<10	<10	34	<10	178	12
SP-03	12.7	0.20	12	72	<0.5	<5	0.24	3	2	59	59	2.81	1	0.23	36	0.11	1444	<2	0.01	2	1048	98	0.03	31	3	3	9	<0.01	<10	<10	16	<10	115	13
SP-04	7.9	0.66	34	73	0.6	5	0.21	8	7	59	96	8.97	1	0.18	39	0.39	3885	2	0.01	4	562	439	1.37	21	7	10	6	<0.01	<10	<10	53	11	340	18
SP-05	1.6	0.44	16	68	1.0	<5	0.20	3	3	53	21	5.40	<1	0.32	49	0.23	1297	<2	0.01	3	777	85	0.06	14	5	3	8	<0.01	<10	<10	16	<10	132	15
SP-06	1.6	0.51	8	59	1.3	<5	0.38	1	3	30	17	2.97	1	0.40	32	0.12	291	<2	0.01	2	1700	29	0.12	12	4	3	5	<0.01	<10	<10	23	<10	71	13
SP-07	2.9	0.50	16	75	0.9	<5	0.35	4	4	27	29	3.50	1	0.44	28	0.16	481	<2	0.01	2	1525	32	0.24	15	4	2	<5	<0.01	<10	<10	26	<10	143	16
SP-08	21.7	0.30	20	55	0.5	<5	0.31	7	5	35	114	4.68	<1	0.31	31	0.15	948	<2	0.01	2	1334	368	0.08	59	5	4	<5	<0.01	11	<10	21	<10	285	17
SP-09	5.7	0.39	11	69	0.6	<5	0.35	4	4	30	39	3.69	<1	0.39	27	0.13	644	<2	0.01	2	1504	83	0.11	22	4	4	7	<0.01	<10	<10	21	<10	171	18
SP-10	2.5	0.45	29	80	2.6	<5	0.57	2	13	6	30	2.86	1	0.43	29	0.16	1305	<2	0.01	3	2221	31	0.38	10	8	3	<5	<0.01	<10	<10	35	<10	646	6
SP-11	3.3	0.24	18	69	<0.5	<5	0.33	4	5	68	49	3.91	<1	0.27	22	0.20	620	<2	0.01	3	668	62	0.23	11	2	3	9	<0.01	<10	<10	11	<10	201	21
SP-12	8.7	0.17	57	51	<0.5	<5	1.84	2	2	37	252	1.45	<1	0.23	13	0.09	688	<2	0.01	1	844	7582	0.15	53	2	46	9	<0.01	14	<10	5	<10	60	10
SP-13	0.5	0.21	7	64	<0.5	<5	1.24	1	3	48	4	1.78	<1	0.27	17	0.14	610	<2	0.01	2	746	52	0.10	6	2	32	6	<0.01	<10	<10	6	<10	25	11
SP-14	0.8	0.17	18	88	<0.5	<5	4.92	1	2	58	104	1.67	1	0.20	21	0.21	1402	<2	0.01	2	553	16	0.04	13	3	181	6	<0.01	<10	<10	5	<10	21	6
SP-15	25.7	0.22	234	59	0.5	<5	2.12	28	64	108	993	6.74	<1	0.18	16	0.47	751	13	0.01	13	289	1553	3.81	189	7	24	<5	<0.01	<10	12	16	<10	2293	6
SP-16	51.4	0.74	200	104	0.6	<5	5.25	138	30	52	715	3.85	4	0.20	23	0.16	2217	12	0.01	4	534	>10000	1.46	59	2	119	7	<0.01	<10	<10	23	<10	3980	19
SP-17	0.2	0.74	7	110	0.7	<5	1.68	2	5	48	55	5.26	<1	0.30	36	0.17	2484	<2	0.02	4	668	48	0.04	9	2	76	10	<0.01	<10	<10	18	<10	91	15
SP-18	85.1	0.13	68	127	<0.5	<5	14.76	21	6	28	3919	2.39	4	0.07	27	0.04	5914	11	0.01	3	193	700	1.85	156	2	325	<5	<0.01	<10	<10	5	<10	336	9
SP-19	0.6	0.75	5	244	0.9	<5	5.41	2	4	41	34	5.09	<1	0.33	27	0.22	3419	<2	0.01	3	601	43	0.09	9	2	199	8	<0.01	<10	<10	15	<10	103	19
SP-20	1.2	0.38	11	579	0.6	<5	3.96	1	5	46	37	1.87	1	0.35	34	0.07	1470	3	0.02	3	679	38	0.39	7	2	197	11	<0.01	<10	<10	7	<10	134	9
SP-21	0.7	0.40	32	124	0.7	<5	6.04	2	12	40	6	4.17	<1	0.29	32	0.12	2820	4	0.01	4	558	31	0.80	15	2	138	8	<0.01	<10	<10	8	<10	145	14
SP-22	0.2	0.49	7	134	0.8	<5	2.25	2	6	51	2	4.03	1	0.38	37	0.15	2141	<2	0.02	3	655	26	0.57	12	2	68	11	<0.01	<10	<10	12	<10	175	14
SP-23	32.5	0.13	104	78	<0.5	<5	8.20	4	16	49	276	4.19	1	0.16	16	0.04	1484	24	0.01	5	329	4825	3.81	46	1	517	<5	<0.01	<10	<10	3	<10	267	12
SP-24	9.3	0.17	97	87	<0.5	<5	8.95	2	13	40	347	3.62	<1	0.20	21	0.05	1426	8	0.01	3	460	381	3.47	27	1	529	7	<0.01	<10	<10	3	<10	203	15
SP-25	174.9	0.22	208	65	<0.5	<5	6.02	3	10	44	134	4.23	3	0.22	19	0.06	1147	262	0.01	4	589	2033	3.97	94	1	208	7	<0.01	<10	<10	<1	<10	121	9

A .5 gm sample is digested with 5 ml 3:1 HCl/HNO3 at 95°C for 2 hours and diluted to 25ml.

Pinnacle Mines

Attention: Paul Saxton
 Project: Surprise Creek
 Sample type:

Assayers Canada

8282 Sherbrooke St., Vancouver, B.C., V5X 4R6
 Tel: (604) 327-3436 Fax: (604) 327-3423

Report No : 7S0074R.J
 Date : Sep-24-07

Multi-Element ICP-AES Analysis

Aqua Regia Digestion

Sample Number	Ag ppm	Al %	As ppm	Ba ppm	Be ppm	Bi ppm	Ca %	Cd ppm	Co ppm	Cr ppm	Cu ppm	Fe %	Hg ppm	K %	La ppm	Mg %	Mn ppm	Mo ppm	Na %	Ni ppm	P ppm	Pb ppm	S %	Sb ppm	Sc ppm	Sr ppm	Th ppm	Ti %	Tl ppm	U ppm	V ppm	W ppm	Zn ppm	Zr ppm
SP-26	<0.2	0.76	6	98	1.5	<5	3.64	3	10	16	<1	5.64	1	0.36	21	0.41	4428	<2	0.01	5	1105	23	0.14	10	5	98	<5	<0.01	<10	<10	30	<10	113	8
SP-27	56.2	0.26	531	85	<0.5	<5	1.14	91	45	80	534	3.03	3	0.26	21	0.05	495	12	0.01	8	590	>10000	2.04	33	1	23	6	<0.01	22	<10	4	<10	1958	21
SP-27A	11.6	0.26	99	1081	0.5	<5	>15.00	3	36	63	187	2.53	2	0.08	10	0.08	3634	7	0.01	5	117	157	0.20	22	1	2173	<5	<0.01	<10	<10	7	<10	31	5
SP-28	0.8	0.30	75	97	0.5	<5	10.97	3	3	47	9	3.32	1	0.13	15	0.06	3109	22	0.01	2	295	70	2.36	26	2	264	<5	<0.01	<10	<10	12	<10	79	14
SP-29	25.2	0.12	378	62	<0.5	<5	>15.00	3	11	21	631	5.16	1	0.06	16	0.05	3958	16	<0.01	3	126	69	2.03	80	3	208	<5	<0.01	11	<10	8	<10	2	6
SP-30	0.3	0.73	9	101	0.7	<5	2.42	1	4	53	7	2.67	<1	0.38	31	0.13	1614	<2	0.02	2	628	26	0.03	10	2	84	9	<0.01	<10	<10	13	<10	66	7
SP-31	3.1	0.32	46	135	0.6	<5	6.14	4	8	58	131	5.31	1	0.30	24	0.12	3168	2	0.02	3	484	29	1.56	17	3	143	8	<0.01	<10	<10	12	<10	40	10
SP-32	7.7	0.10	26	114	<0.5	<5	10.78	21	5	21	108	1.31	3	0.07	42	0.03	3406	7	0.01	1	106	1275	1.10	20	1	397	6	<0.01	<10	<10	2	<10	815	4
SP-33	1.0	0.23	7	121	0.6	<5	>15.00	4	4	17	<1	8.06	1	0.15	19	0.27	6439	<2	0.01	2	228	20	0.08	9	4	360	11	<0.01	13	<10	19	<10	19	9
SP-34	0.9	0.37	6	804	0.5	<5	3.16	2	2	36	<1	3.19	1	0.28	27	0.13	1799	<2	0.02	2	576	58	0.19	<5	2	125	18	<0.01	<10	<10	14	<10	<1	9
SP-35	0.6	0.80	9	203	0.7	<5	5.91	3	12	16	<1	6.12	<1	0.39	19	0.22	3692	<2	0.03	4	1392	18	0.01	12	6	72	9	0.07	<10	<10	60	<10	<1	8
SP-36	<0.2	0.26	20	86	<0.5	<5	1.62	2	3	64	<1	4.48	2	0.14	29	0.07	1223	3	0.02	3	532	24	0.69	9	3	40	17	0.01	10	<10	30	<10	<1	19
SP-37	5.8	0.34	349	53	0.7	<5	7.60	16	9	17	10	3.43	2	0.28	15	0.08	3129	5	0.01	2	593	889	2.50	11	3	298	10	<0.01	16	<10	10	<10	1146	11
SP-38	6.5	0.28	410	82	<0.5	<5	3.41	25	7	45	2	2.22	2	0.24	16	0.02	1645	3	0.01	3	385	393	2.09	8	1	58	6	<0.01	<10	<10	4	<10	1492	16
SP-39	19.1	0.29	1186	65	0.5	<5	2.87	46	11	45	30	3.63	3	0.27	13	0.02	1673	8	0.01	4	366	548	3.62	14	1	47	9	<0.01	28	<10	5	<10	3167	23
SP-40	9.0	0.30	488	54	<0.5	<5	3.14	16	8	48	13	3.36	3	0.28	15	0.02	1276	3	0.01	4	404	203	3.14	15	1	71	12	<0.01	23	<10	4	<10	1040	18
SP-41	1.6	0.24	76	41	<0.5	<5	3.15	5	4	56	<1	4.63	<1	0.25	11	0.03	857	<2	0.02	2	374	188	4.51	7	1	94	5	<0.01	10	<10	4	<10	198	13
A07-01	0.7	2.46	12	82	0.6	<5	6.91	3	17	17	21	5.64	1	0.12	<10	0.99	2082	<2	0.04	18	984	16	0.97	<5	9	151	13	<0.01	26	<10	32	<10	45	5
A07-02	0.2	2.20	10	144	0.6	<5	7.05	2	16	17	25	4.91	3	0.13	<10	0.86	2763	<2	0.04	24	734	13	1.18	<5	8	158	<5	<0.01	10	<10	29	<10	26	4
A07-03	0.4	0.31	13	51	<0.5	<5	9.33	2	9	9	5	3.69	1	0.12	<10	1.15	3883	<2	0.04	8	802	20	0.94	<5	6	214	5	<0.01	15	<10	12	<10	<1	3
A07-04	1.5	0.90	25	103	0.7	<5	5.09	6	7	12	36	2.91	1	0.17	<10	0.35	1220	38	0.02	80	1073	15	1.20	12	8	94	11	<0.01	18	<10	54	<10	367	10
A07-05	0.9	0.92	7	92	<0.5	<5	13.21	2	6	14	<1	4.36	1	0.08	<10	0.82	4675	<2	0.04	7	948	13	0.72	9	7	405	10	<0.01	36	<10	12	<10	<1	4
A07-06	1.3	0.33	7	92	0.5	<5	>15.00	<1	4	3	<1	0.95	2	0.10	13	0.82	2186	<2	0.01	8	844	5	0.47	5	3	606	23	<0.01	39	<10	6	<10	<1	4
A07-07	0.6	2.59	5	148	0.7	<5	1.07	2	13	14	20	4.91	<1	0.17	<10	0.93	496	<2	0.04	13	219	11	0.23	6	6	38	5	<0.01	23	<10	32	<10	23	4
A07-08	<0.2	2.01	9	94	0.7	<5	7.92	2	11	19	18	4.48	<1	0.15	<10	0.81	1487	<2	0.03	15	692	9	1.31	7	9	240	<5	<0.01	<10	<10	25	<10	68	7
A07-09	4.1	0.54	25	51	<0.5	<5	0.34	114	3	100	83	2.27	<1	0.15	<10	0.23	206	8	0.02	47	495	5	2.03	7	2	<1	<5	<0.01	<10	11	174	<10	5002	3
A07-10	<0.2	3.22	<5	73	0.6	<5	3.82	3	13	29	610	5.75	<1	0.12	<10	1.38	1289	5	0.04	20	663	3	0.05	8	8	74	5	<0.01	<10	<10	59	<10	65	5
A07-11	<0.2	2.39	10	82	0.6	<5	6.80	3	13	20	23	4.85	<1	0.15	<10	0.85	2435	<2	0.04	18	988	13	0.41	5	8	127	<5	<0.01	<10	<10	32	<10	85	7
A07-12	<0.2	0.73	19	68	0.6	<5	1.65	3	3	47	3	3.10	<1	0.24	18	0.23	639	3	0.04	5	1661	13	1.73	8	5	32	<5	<0.01	<10	<10	17	<10	168	4
A07-13	<0.2	0.30	11	59	0.6	<5	>15.00	1	9	8	13	2.14	<1	0.16	<10	0.56	6271	<2	0.02	9	851	7	0.99	7	6	668	<5	<0.01	<10	<10	5	<10	28	2

Surprise Creek

A .5 gm sample is digested with 5 ml 3:1 HCl/HNO3 at 95°C for 2 hours and diluted to 25ml.

Signed: 

APPENDIX III
MINERAL CLAIM EXPLORATION STATEMENT



Contact Us ► Help ?

B.C. HOME

Mineral Titles

Mineral Claim Exploration and Development Work/Expiry Date Change

- Select Input Method
- Select/Input Tenures
- Input Lots
- Data Input Form
- Review Form Data
- Process Payment
- Confirmation

- Main Menu
- Search for Mineral / Placer / Coal Titles
- View Mineral Tenures
- View Placer Tenures
- View Coal Tenures

Mineral Titles Online

Mineral Claim Exploration and Development Work/Expiry Date Change Confirmation

Recorder: PINNACLE MINES LTD. (201577) Submitter: PINNACLE MINES LTD. (201577)
 Recorded: 2007/SEP/04 Effective: 2007/SEP/04
 D/E Date: 2007/SEP/04

Your report is due in 90 days. Please attach a copy of this confirmation page to the front of your report.

Event Number: 4168115

Work Start Date: 2007/JUL/11
Work Stop Date: 2007/AUG/30

Total Value of Work: \$ 461695.00
Mine Permit No: MX-1-679

Work Type: Technical Work
Technical Items: Drilling

Summary of the work value:

	Claim	Issue	Good	New Good	# of Days	Area	Work	Sub-

→ MTO Help Tips

Exit this e-service 

Tenure #	Name/Property	Date	To Date	To Date	For-ward	in Ha	Value Due	mission Fee
519247		2005/aug/22	2008/sep/28	2011/sep/28	1095	377.85	\$ 7710.23	\$ 453.42
519248		2005/aug/23	2008/sep/28	2011/sep/28	1095	377.97	\$ 7708.58	\$ 453.57
519249		2005/aug/23	2008/sep/28	2011/sep/28	1095	378.10	\$ 7711.09	\$ 453.72
519250		2005/aug/23	2008/sep/28	2011/sep/28	1095	378.22	\$ 7713.62	\$ 453.86
519251		2005/aug/23	2008/sep/28	2011/sep/28	1095	378.33	\$ 7715.88	\$ 454.00
519252		2005/aug/23	2008/sep/28	2011/sep/28	1095	360.43	\$ 7350.70	\$ 432.51
540452		2006/sep/05	2007/sep/05	2011/sep/05	1461	449.73	\$ 8994.58	\$ 720.06
540453		2006/sep/05	2007/sep/05	2011/sep/05	1461	449.97	\$ 8999.32	\$ 720.44
540454		2006/sep/05	2007/sep/05	2011/sep/05	1461	432.05	\$ 8640.94	\$ 691.75
540455		2006/sep/05	2007/sep/05	2011/sep/05	1461	432.21	\$ 8644.27	\$ 692.01
540456		2006/sep/05	2007/sep/05	2011/sep/05	1461	432.35	\$ 8647.08	\$ 692.24
519010	ATAMAN3	2005/aug/13	2008/sep/28	2011/sep/28	1095	431.67	\$ 8851.09	\$ 518.01
519011	ATAMAN4	2005/aug/13	2008/sep/28	2011/sep/28	1095	377.84	\$ 7747.17	\$ 453.40
519017	ATAMAN5	2005/aug/13	2008/sep/28	2011/sep/28	1095	377.95	\$ 7749.59	\$ 453.54
519018	ATAMAN6	2005/aug/13	2008/sep/28	2011/sep/28	1095	378.07	\$ 7752.07	\$ 453.69
519019	ATAMAN7	2005/aug/13	2008/sep/28	2011/sep/28	1095	378.19	\$ 7754.53	\$ 453.83
519020	ATAMAN8	2005/aug/13	2008/sep/28	2011/sep/28	1095	432.35	\$ 8864.99	\$ 518.82
519021	ATAMAN9	2005/aug/13	2008/sep/28	2011/sep/28	1095	288.31	\$ 5911.56	\$ 345.97
519023	ATAMAN10	2005/aug/13	2008/sep/28	2011/sep/28	1095	360.51	\$ 7392.00	\$ 432.62

Total required work value: \$ 151859.29

PAC name: PINNACLE
Debited PAC amount: \$ 0.00
Credited PAC amount: \$ 309835.71

Total Submission Fees: \$ 9847.46

Total Paid: \$ 9847.46

The event was successfully saved.