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Dear fellow Shareholder,

This past year has seen unprecedented activity for the Company with the completion of an ambitious exploration program including regional airborne geophysical surveys, target specific surveys and a preliminary drill program of our ten priority projects located in Peru and Mexico. This program was designed to establish those projects with the highest potential for hosting significant mineral resources. Of the ten projects tested, four have emerged with very positive results and the likelihood of the presence of a large and robust mineralizing system that could lead to the discovery of a world class mineral deposit. In addition, two new copper projects in Peru have rapidly advanced to the drilling stage and we continue with our strong generative exploration program.

We continue to focus our exploration in world-class mineral belts to maintain a pipeline of high quality prospects that we believe have the best potential for discoveries to significantly increase shareholder value. In Peru we remain one of the most active explorers in the country and will aggressively drill our top four copper projects: Lidia, Viento, Viruna and Huiniccasa. In Mexico we have substantially increased our activities with the acquisition of a number of new high-quality gold-silver prospects located in the Sonora District.

At Lidia, the 2010 drill program expanded the strike length of the known northern-most Cu-Au (Iron Oxide-Copper-Gold style mineralization) zone significantly to 1.3 kilometres. Reconnaissance surface sampling has identified six additional zones of anomalous surface mineralization extending the Lidia mineralization by an additional 12 kilometres to the south. In addition, an airborne magnetic/radiometric survey and a ground gravity survey designed to aid in determining the structural controls on mineralization and identify 2011 drill targets was completed.

Systematic ground geophysical and geological surveys have significantly enhanced the potential of the Viento Cu-Mo Porphyry project. The 2011 drill program starting in the second quarter is designed to confirm and expand upon historic drilling results in hydrothermal breccias that returned up to 0.52% Cu and 0.24% Mo over a core length of 334 metres. Our exploration in 2010 led to the discovery of a highly altered and mineralized porphyry on the flank of the mineralized breccias, this porphyry will also be drill tested this year.

Several different phases of porphyry intrusion were intersected at Viruna with one returning very consistent gold assays over wide intersections that will be the focus for follow-up drilling planned for startup in the second quarter of 2011.

The Huiniccasa Cu-Zn-Ag-Mo-Fe Skarn-Porphyry project continued to improve with 13 diamond drill holes put down in 2010. All 13 holes intersected large sections of distal

mineralized skarn over a strike length of plus 1 kilometre over a thickness of 500 metres. Further road development is required as part of the 2011 program to access the drilling targeting on the primary porphyry.

Our Hurricane project advanced considerably in 2010 with a first phase drill program testing three of the eleven high grade Cu-Ni-PGE occurrences of magmatic sulphide mineralization, a new deposit type in Peru. Drill intersections up to 2.6% Cu, 0.6% Ni, 0.03% Co and 1.0 g/t TPM (total precious metal) over 14 metres in intrusive rocks were intersected. Sediment hosted copper-rich mineralization over significant widths was also intersected in the drilling, opening the potential for these rocks to host strataform sedimentary copper deposits. An airborne electromagnetic survey was partially completed over the northern block which detected numerous conductors in proximity to known mineralization. The remainder of the airborne survey will be completed in 2011 with additional ground follow-up work being undertaken.

Our portfolio of projects in Peru has expanded through the acquisition of the Minascucho Cu prospect, located contiguous to and east of the large world-class Las Bambas porphyry project. In Mexico, we acquired the Cuarentas Au-Ag prospect, contiguous to and on trend from Yamana's Mercedes gold deposit.

Drilling is scheduled to begin in the second quarter of 2011 at Lidia, Viento, and Viruna and, in the latter part of the year at Huiniccasa, Minascucho and Mexico.

At year-end, the Company had Cdn \$19 million to fund the planned drill programs on our advanced copper projects in Peru and gold projects in Mexico.

As we embark on an exciting drill intensive year, Pembroke continues to be in an enviable position within the junior mining sector with a strong portfolio of advanced, high quality projects that have the potential to contain significant mineral deposits. I believe that our drill plans will provide us with the necessary results to begin to estimate the potential size of our key projects. I remain confident that our portfolio of high quality projects and strong technical team will place us in a position for an IPO in late 2011 to early 2012.

I thank you for your continued patience and support.

Yours truly,
Brian R. Booth

A handwritten signature in black ink, appearing to read "Brian R. Booth", written in a cursive style.

President and CEO
April 19, 2011