

PINNACLE SILVER AND GOLD CORP.
CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS
(Expressed in Canadian Dollars)
(Unaudited – Prepared by Management)

January 31, 2025

NOTICE OF NO AUDITOR REVIEW OF INTERIM FINANCIAL STATEMENTS

Under National Instrument 51-102, Part 4, subsection 4.3(3)(a), if an auditor has not performed a review of the interim financial statements, they must be accompanied by a notice indicating that the financial statements have not been reviewed by an auditor.

The Company's independent auditor has not performed a review of these financial statements in accordance with standards established by the Chartered Professional Accountants of Canada for a review of interim financial statements by an entity's auditor.

The accompanying unaudited interim financial statements of the Company have been prepared by and are the responsibility of the Company's management.

PINNACLE SILVER AND GOLD CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF FINANCIAL POSITION**

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	January 31, 2025	April 30, 2024
ASSETS		
Current		
Cash	\$ 482,279	\$ 67,837
Receivables	13,318	16,118
Prepaid expenses	44,440	56,012
Marketable securities (Note 6)	225,692	-
	765,729	139,967
Mineral properties (Note 3)	601,321	601,321
TOTAL ASSETS	\$ 1,367,050	\$ 741,288
LIABILITIES AND EQUITY (DEFICIENCY)		
Current		
Accounts payable and accrued liabilities	\$ 514,192	\$ 572,510
Related party payables (Note 9)	15,973	11,860
	530,165	584,370
Loan payable (Note 5)	39,945	40,109
Long-term accounts payable	25,541	42,573
Long-term related party payables (Note 9)	220,650	131,663
TOTAL LIABILITIES	816,301	798,715
EQUITY (DEFICIENCY)		
Share capital (Note 7)	34,449,003	33,944,853
Reserves (Note 7)	9,924,502	9,832,702
Subscription received in advance (Note 7)	494,030	49,000
Deficit	(44,316,786)	(43,883,982)
TOTAL EQUITY (DEFICIENCY)	550,749	(57,427)
TOTAL LIABILITIES AND EQUITY (DEFICIENCY)	\$ 1,367,050	\$ 741,288

Nature and continuance of operations (Note 1)

Subsequent events (Note 13)

Approved on behalf of the Board of Directors on March 27, 2025:

Signed: "Robert Archer" Director Signed: "Ron Schmitz" Director

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

PINNACLE SILVER AND GOLD CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF LOSS AND COMPREHENSIVE LOSS**

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

	Three months ended January 31,		Nine months ended January 31,	
	2025	2024	2025	2024
EXPENSES				
Administration and office costs (Notes 9 and 12)	\$ 62,981	\$ 62,507	\$ 170,410	\$ 207,823
Exploration expenditures, net (Note 4)	37,362	3,150	38,514	3,150
Foreign exchange loss (gain)	10,083	(568)	17,602	(1,769)
Marketing services and shareholder information	134,543	7,704	264,623	79,786
Professional and listing fees	19,572	93,489	47,429	395,734
Property investigation costs	1,135	-	10,714	-
Share-based compensation (Note 7)	-	-	83,600	-
Transfer agent and filing fees	6,009	6,975	25,604	38,817
Operating expenses	(271,685)	(173,257)	(658,496)	(723,541)
Gain on recovery of exploration expenditures (Note 6)	-	-	202,582	-
Realized gain on marketable securities (Note 6)	-	-	-	515
Unrealized gain (loss) on marketable securities (Note 6)	(176,132)	-	23,110	(515)
Net loss and comprehensive loss for the period	\$ (447,817)	\$ (173,257)	\$ (432,804)	\$ (723,541)
Basic and diluted loss per common share	\$ (0.01)	\$ (0.00)	\$ (0.01)	\$ (0.02)
Weighted average number of common shares outstanding				
Basic	60,854,405	37,753,820	59,033,149	37,753,820
Diluted	60,854,405	37,753,820	59,033,149	37,753,820

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

PINNACLE SILVER AND GOLD CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NINE MONTHS ENDED JANUARY 31,

	2025	2024
CASH FLOWS FROM (TO)		
OPERATIONS		
Net loss for the period	\$ (432,804)	\$ (723,541)
Adjustments for:		
Gain on recovery of exploration expenditure	(202,582)	-
Realized gain on marketable securities	-	(515)
Share-based compensation	83,600	-
Unrealized loss (gain) on marketable securities	(23,110)	515
Changes in non-cash working capital items:		
Receivables	2,800	(1,736)
Prepaid expenses	11,572	(49,000)
Accounts payable, accrued liabilities and related party	17,586	311,289
	(542,938)	(462,988)
INVESTING		
Proceeds from sale of marketable securities	-	825
	-	825
FINANCING		
Share issued for cash	471,000	-
Share issuance costs	(7,650)	-
Subscriptions receivable	-	183,357
Subscriptions received	494,030	-
	957,380	183,357
Change in cash	414,442	(278,806)
Cash at beginning of period	67,837	323,771
Cash at end of period	\$ 482,279	\$ 44,965
Supplementary cash flow information		
Fair value of finders' warrants	\$ 8,200	\$ -

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

PINNACLE SILVER AND GOLD CORP.**CONDENSED INTERIM CONSOLIDATED STATEMENTS OF CHANGES IN EQUITY (DEFICIENCY)**

(Expressed in Canadian Dollars)

(Unaudited – Prepared by Management)

NINE MONTHS ENDED JANUARY 31, 2025 AND 2024

	Number of Shares	Share Capital	Subscription received in advance	Reserves	Deficit	Total
Balance at April 30, 2023	37,753,820	\$ 33,771,835	\$ -	\$ 9,832,702	\$ (43,224,895)	\$ 379,642
loss for the period	-	-	-	-	(723,541)	(723,541)
Balance at January 31, 2024	37,753,820	33,771,835	-	9,832,702	(43,948,436)	(343,899)
Shares issued for debt settlement	5,767,252	173,018	-	-	-	173,018
Subscription received in advance	-	-	49,000	-	-	49,000
Income for the period	-	-	-	-	64,454	64,454
Balance at April 30, 2024	43,521,072	33,944,853	49,000	9,832,702	(43,883,982)	(57,427)
Shares issued for private placement	17,333,333	520,000	(49,000)	-	-	471,000
Share issuance cost – cash	-	(7,650)	-	-	-	(7,650)
Share issuance cost – finder's warrant	-	(8,200)	-	8,200	-	-
Subscription received in advance	-	-	494,030	-	-	494,030
Share-based compensation	-	-	-	83,600	-	83,600
loss for the period	-	-	-	-	(432,804)	(432,804)
Balance at January 31, 2025	60,854,405	\$ 34,449,003	\$ 494,030	\$ 9,924,502	\$ (44,316,786)	\$ 550,749

The accompanying notes are an integral part of these condensed interim consolidated financial statements.

PINNACLE SILVER AND GOLD CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024

1. NATURE AND CONTINUANCE OF OPERATIONS

Pinnacle Silver and Gold Corp. (“the Company or Pinnacle”) was incorporated under the *Business Corporations Act (B.C.)* on May 16, 2006. The condensed interim consolidated financial statements of Pinnacle as at and for the nine months ended January 31, 2025 comprise the Company and its subsidiaries. Pinnacle is the ultimate parent of the consolidated group. The Company’s corporate and head office address is #250 – 750 West Pender Street, Vancouver, British Columbia, Canada, V6C 2T7. The Company’s shares are traded on the TSX Venture Exchange under the Symbol “PINN”.

On April 6, 2023, the Company consolidated its common shares on the basis of six (6) pre-consolidation common shares for one (1) post-consolidation common share. All shares, warrants and stock options in these condensed interim consolidated financial statements are on a post consolidated basis.

The Company is an exploration stage company focused on acquiring and exploring mineral properties in the Americas.

These condensed interim consolidated financial statements have been prepared using accounting policies consistent with IFRS Accounting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”), with the assumption that the Company will be able to realize its assets and discharge its liabilities in the normal course of business rather than through a process of forced liquidation for the foreseeable future. The operations of the Company were primarily funded by the issue of share capital and loans. The continued operations of the Company are dependent on its ability to develop a sufficient financing plan, receive continued financial support from related parties and lenders, complete sufficient public equity financing, or generate profitable operations in the future. These condensed interim consolidated financial statements do not include any adjustments to the amounts and classification of assets and liabilities that might be necessary should the Company be unable to continue in business.

The Company is in the business of exploring for minerals that by its nature involves a high degree of risk. There can be no assurance that current exploration programs will result in profitable mining operations. The recoverability of the carrying value of the mineral properties and the Company’s continued existence is dependent upon the preservation of its interest in the underlying properties, the discovery of economically recoverable reserves, the achievement of profitable operations, the ability of the Company to obtain financing or, alternatively, upon the Company’s ability to dispose of its interest on an advantageous basis. Additionally, the Company estimates that it will need additional capital to operate for the upcoming year. These material uncertainties may cast significant doubt on the Company’s ability to continue as a going concern.

During the period ended January 31, 2025, the Company incurred net loss of \$432,804 (2024 – \$723,541), and as at January 31, 2025, had working capital of \$235,564 (April 30, 2024 – deficiency of \$444,403).

The Company’s business may be affected by changes in political and market conditions, such as interest rates, availability of credit, inflation rates, changes in laws, and national and international circumstances. Geopolitical events, relations between NATO and Russian Federation regarding the situation in Ukraine, and potential economic global challenges, may create further uncertainty and risk with respect to the prospects of the Company’s business.

2. MATERIAL ACCOUNTING POLICY INFORMATION

Basis of Presentation

The condensed interim consolidated financial statements have been prepared on a historical cost basis, except for certain financial instruments that have been measured at fair value. The condensed interim consolidated financial statements are presented in Canadian dollars which is the functional currency of the Company and its subsidiaries.

In addition, these condensed interim consolidated financial statements have been prepared using the accrual basis of accounting except for cash flow information.

PINNACLE SILVER AND GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024**2. MATERIAL ACCOUNTING POLICY INFORMATION** (continued)

The policies applied in the condensed interim consolidated financial statements are presented below and are based on IFRS issued and effective as of December 27, 2024, the date the Board of Directors approved the condensed interim consolidated financial statements. Any subsequent changes to IFRS that are given effect in the Company's audited annual consolidated financial statements for the year ending April 30, 2025, could result in restatements of these condensed interim consolidated financial statements. These condensed consolidated interim financial statements should be read in conjunction with the Company's audited annual consolidated financial statements for the year ended April 30, 2024.

Basis of Consolidation

These condensed interim consolidated financial statements include the accounts of the Company and the following subsidiaries:

Name	Place of Incorporation	Principal Activity	Ownership January 31, 2025	Ownership April 30, 2024
NR Gold LLC	United States	Exploration company	100%	100%
Cangold Limited	British Columbia, Canada	Exploration company	100%	100%
Cangold Peru S.A.C.	Peru	Exploration company	100%	100%

Inter-company balances and transactions, including any unrealized income and expenses arising from inter-company transactions, are eliminated in preparing the condensed interim consolidated financial statements.

During the year ended April 30, 2024, Pamlico Mines Ltd. was dissolved.

Foreign Currencies

The Company's functional and presentation currency is the Canadian dollar. The individual financial statements of each group entity are measured in the currency of the primary economic environment in which the entity operates (its functional currency).

In preparing the condensed interim consolidated financial statements of the individual entities, transactions in currencies other than an entity's functional currency (foreign currencies) are recorded at the exchange rates prevailing at the dates of the transactions. At the end of each reporting period, monetary items denominated in foreign currencies are translated at the exchange rates prevailing at the statement of financial position date. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Exchange differences are recognized in profit or loss, unless the difference relates to an item that is recognized in other comprehensive income or loss, whereby the exchange difference would be recognized in other comprehensive income or loss and reclassified from equity to the statements of loss and comprehensive loss on disposal or partial disposal of the net investment. For the purpose of presenting condensed interim consolidated financial statements, the Company has determined that the functional currency of its subsidiaries is the Canadian dollar.

Financial Instruments

The Company is required to classify its financial instruments measured at fair value at one of three levels according to the relative reliability of the inputs used to estimate fair values:

Level 1 – Unadjusted quoted prices in active markets for identical assets or liabilities;

Level 2 – Inputs other than quoted prices that are observable for the asset or liability either directly or indirectly; and

Level 3 – Inputs that are not based on observable market data.

Financial assets

The Company classifies its financial assets in the following categories: at fair value through profit or loss ("FVTPL"), at fair value through other comprehensive income ("FVTOCI") or at amortized cost. The classification depends on the purpose for which the financial assets were acquired. Management determines the classification of its financial assets at initial recognition.

PINNACLE SILVER AND GOLD CORP.

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2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Financial assets at FVTPL

Financial assets carried at FVTPL are initially recorded at fair value and transaction costs are expensed in the statement of loss and comprehensive loss. Realized and unrealized gains and losses arising from changes in the fair value of the financial asset held at FVTPL are included in the statement of loss and comprehensive loss in the period in which they arise.

Financial assets at FVTOCI

Investments in equity instruments at FVTOCI are initially recognized at fair value plus transaction costs. Subsequently they are measured at fair value, with gains and losses arising from changes in fair value recognized in other comprehensive income. There is no subsequent reclassification of fair value gains and losses to profit or loss following the derecognition of the investment.

Financial assets at amortized cost

Financial assets at amortized cost are initially recognized at fair value and subsequently carried at amortized cost less any impairment. They are classified as current assets or non-current assets based on their maturity date.

Financial assets are derecognized when they mature or are sold, and substantially all the risks and rewards of ownership have been transferred. Gains and losses on derecognition of financial assets classified as FVTPL or amortized cost are recognized in the statement of loss and comprehensive loss. Gains or losses on financial assets classified as FVTOCI remain within accumulated other comprehensive income.

Impairment of financial assets

An 'expected credit loss' impairment model applies which requires a loss allowance to be recognized based on expected credit losses. The estimated present value of future cash flows associated with the asset is determined and an impairment loss is recognized for the difference between this amount and the carrying amount as follows: the carrying amount of the asset is reduced to the present value of estimated future cash flows associated with the asset, discounted at the financial asset's original effective interest rate, either directly or through the use of an allowance account and the resulting loss is recognized in profit or loss for the period.

Financial liabilities

The Company classifies its financial liabilities into one of two categories as follows:

Fair value through profit or loss

This category comprises derivatives and financial liabilities incurred principally for the purpose of selling or repurchasing in the near term. They are carried at fair value with changes in fair value recognized in profit or loss.

Financial liabilities at amortized cost

This category consists of liabilities carried at amortized cost using the effective interest method. These financial liabilities are initially recognized at fair value less directly attributable transaction costs.

PINNACLE SILVER AND GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024**2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**

The following table summarizes the clarification for each class of the Company's financial assets and financial liabilities:

	IFRS 9 Classification
Cash	Amortized cost
Receivables	Amortized cost
Marketable securities	FVTPL
Subscriptions receivable	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Related party payables	Amortized cost
Loan payable	Amortized cost

Cash

Cash in the statement of financial position consists of cash at banks and on hand.

Equipment

Equipment is carried at cost, less accumulated depreciation and accumulated impairment losses. The cost of an item of equipment consists of the purchase price, any costs directly attributable to bringing the asset to the location and condition necessary for its intended use and an initial estimate of the costs of dismantling and removing the item and restoring the site on which it is located. Depreciation is provided at rates calculated to write off the cost of equipment, less their estimated residual value, using the straight-line method over three to five years.

An item of equipment is derecognized upon disposal or when no future economic benefits are expected to arise from the continued use of the asset. Any gain or loss arising on disposal of the asset, determined as the difference between the net disposal proceeds and the carrying amount of the asset, is recognized in profit or loss in the condensed interim consolidated statement of loss and comprehensive loss.

Mineral Properties and Exploration and Evaluation Expenditures

Acquisition costs for mineral properties, net of recoveries, are capitalized on a property-by-property basis. Acquisition costs include cash consideration and the value of common shares, based on recent issue prices, issued for mineral properties pursuant to the terms of the agreement. Exploration and evaluation expenditures, net of recoveries, are charged to operations as incurred. After a property is determined by management to be commercially viable, exploration and evaluation expenditures on the property are capitalized.

A mineral property acquired under an option agreement, where payments are made at the sole discretion of the Company, is capitalized at the time of payment. Option payments received are treated as a reduction of the carrying value of the related acquisition cost for the mineral property until the payments are in excess of acquisition costs, at which time they are then credited to operations. Option payments are at the discretion of the optionee and, accordingly, are accounted for when receipt is reasonably assured. Capitalized acquisition costs are assessed for impairment if facts and circumstances suggest that the carrying amount exceeds the recoverable amount. When there is little prospect of further work on a property being carried out by the Company or its partners, when a property is abandoned, or when the capitalized costs are no longer considered recoverable, the related property costs are written down to management's estimate of their net recoverable amount.

PINNACLE SILVER AND GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Impairment of Non-Financial Assets**

At each statement of financial position reporting date, the Company reviews the carrying amounts of its tangible and intangible assets to determine whether there is an indication that those assets have suffered an impairment loss. If any such indication exists, the recoverable amount of the asset is estimated in order to determine the extent of the impairment loss (if any). Where it is not possible to estimate the recoverable amount of an individual asset, the Company estimates the recoverable amount of the cash-generating unit to which the assets belong.

The recoverable amount is the higher of fair value less costs to sell and value in use. In assessing value in use, the estimated future cash flows are discounted to their present value using a pre-tax discount rate that reflects current market assessments of the time value of money and the risks specific to the asset.

If the recoverable amount of an asset (or cash-generating unit) is estimated to be less than its carrying amount, the carrying amount of the asset (or cash-generating unit) is reduced to its recoverable amount. An impairment loss is recognized immediately in the statement of loss and comprehensive loss, unless the relevant asset is carried at a revalued amount, in which case the impairment loss is treated as a revaluation decrease.

Where an impairment loss subsequently reverses, the carrying amount of the asset (cash-generating unit) is increased to the revised estimate of its recoverable amount, to the extent that the increased carrying amount does not exceed the carrying amount that would have been determined had no impairment loss been recognized for the asset (or cash-generating unit) in prior years.

Restoration, Rehabilitation and Environmental Obligations

An obligation to incur restoration, rehabilitation and environmental costs arises when environmental disturbance is caused by the exploration, development or ongoing production of a mineral property interest. Such costs arising from the decommissioning of plant and other site preparation work, discounted to their net present value, are provided for and capitalized at the start of each project to the carrying amount of the asset, as soon as the obligation to incur such costs arises. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the net present value. These costs are charged against profit or loss over the economic life of the related asset, through amortization using either the unit-of-production or the straight-line method. The related liability is adjusted for each period for the unwinding of the discount rate and for changes to the current market-based discount rate, amount or timing of the underlying cash flows needed to settle the obligation. Costs for restoration of subsequent site damage which is created on an ongoing basis during production are provided for at their net present values and charged against profits as extraction progresses. The Company has no material restoration, rehabilitation, and environmental costs as the disturbance to date is minimal.

Provisions

Provisions are recorded when a present legal or constructive obligation exists as a result of past events where it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate of the amount of the obligation can be made.

The amount recognized as a provision is the best estimate of the consideration required to settle the present obligation at the statement of financial position date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows. When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognized as an asset if it is virtually certain that reimbursement will be received, and the amount receivable can be measured reliably.

Leases

At inception, the Company assesses whether a contract contains a lease or an embedded lease. A contract contains a lease when the contract conveys a right to control the use of an identified asset for a period of time in exchange for consideration.

PINNACLE SILVER AND GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Leases (continued)**

The Company, as lessee, is required to recognize a right-of-use asset ("ROU asset"), representing its right to use the underlying asset, and a lease liability, representing its obligation to make lease payments.

The Company may elect to not apply IFRS 16 to leases with a term of less than 12 months or to low value assets, which is made on an asset by asset basis.

The Company recognizes a ROU asset and a lease liability at the commencement of the lease. The ROU asset is initially measured based on the present value of lease payments, plus initial direct cost, less any incentives received. It is subsequently measured at cost less accumulated amortization, impairment losses and adjusted for certain remeasurements of the lease liability. The ROU asset is amortized from the commencement date over the shorter of the lease term or the useful life of the underlying asset. The ROU asset is subject to testing for impairment if there is an indicator of impairment.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted by the interest rate implicit in the lease, or if that rate cannot be readily determined, the incremental borrowing rate. The incremental borrowing rate is the rate which the operation would have to pay to borrow over a similar term and with similar security, the funds necessary to obtain an asset of similar value to the ROU asset in a similar economic environment.

Lease payments included in the measurement of the lease liability are comprised of:

- fixed payments, including in-substance fixed payments;
- variable lease payments that depend on an index or a rate, initially measured using the index or rate as at the commencement date;
- amounts expected to be payable under a residual value guarantee;
- the exercise price under a purchase option that the Company is reasonably certain to exercise;
- lease payments in an optional renewal period if the Company is reasonably certain to exercise an extension option; and
- penalties for early termination of a lease unless the Company is reasonably certain not to terminate early.

The lease liability is subsequently increased by the interest cost on the lease liability and decreased by lease payments made. It is remeasured when there is a change in future lease payments arising from a change in an index or a rate, a change in the estimate of the amount expected to be payable under a residual value guarantee, or as appropriate, changes in the assessment of whether a purchase or extension option is reasonably certain to be exercised or a termination option is reasonably certain not to be exercised.

Variable lease payments that do not depend on an index or a rate not included in the initial measurement of the ROU asset and lease liability are recognized as an expense in profit or loss in the period in which they are incurred.

Government grants

Government grants are recognized when there is a reasonable assurance that the grant will be received, and all conditions associated with the grant are met. Effective May 1, 2020, the Company adopted IAS 20 in connection with the government loan received in connection with the COVID19 pandemic.

Share Capital

Common shares are classified as equity. Transaction costs directly attributable to the issue of common shares and share options are recognized as a deduction from equity.

PINNACLE SILVER AND GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

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FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Share Capital (continued)**

The Company has adopted a residual value method with respect to the measurement of shares and warrants issued as private placement units. The residual value method first allocates value to the more easily measurable component based on fair value and then the residual value, if any, to the less easily measurable component. The Company considers the fair value of common shares issued in a private placement to be the more easily measurable component and the common shares are valued at their fair value, as determined by the closing quoted bid price on the announcement date. The balance, if any, is allocated to the attached warrants. Any fair value attributed to the warrants is recorded to reserves.

Flow-through shares

The issuance of flow-through shares is accounted for similarly to the issuance of a compound financial instrument. The liability component represents the premium paid for the tax benefit to the investors. Proceeds from the issuance of shares by flow-through private placements are allocated between shares issued and a liability account using the residual method. Proceeds are first allocated to shares according to the quoted price of existing shares at the time of issuance and any residual in the proceeds is allocated to the liability. Upon renunciation of the flow through expenditures, the liability component is derecognized in the statement of loss and comprehensive loss as recovery of flow-through premium.

Share-based Payment Transactions

The Company may grant stock options to acquire common shares of the Company to directors, officers, employees and consultants. An individual is classified as an employee when the individual is an employee for legal or tax purposes, or provides services similar to those performed by an employee.

Share-based payments to employees are measured at the fair value of the instruments issued and are amortized over the vesting periods. Share-based payments to non-employees are measured at the fair value of the goods or services received or the fair value of the equity instruments issued, if it is determined the fair value of the goods or services cannot be reliably measured and are recorded at the date the goods or services are received. The amount recognized as an expense is adjusted to reflect the number of awards expected to vest. The offset to the recorded cost is to reserves. When options are exercised the consideration received is recorded as share capital. In addition, the related share-based payments originally recorded in reserves are transferred to share capital.

The fair value is measured at grant date and each tranche is recognized over the period the options vest. The fair value of the options granted is measured using the Black-Scholes option pricing model taking into account the terms and conditions upon which the options were granted. At each financial position reporting date, the amount recognized as an expense is adjusted to reflect the actual number of stock options that are expected to vest.

Income Taxes

Income tax on profit or loss for the periods presented comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity, in which case it is recognized in equity. Current tax expense is the expected tax payable on the taxable income for the year, using tax rates enacted or substantively enacted at period end, adjusted for amendments to tax payable with regards to previous years.

Deferred tax is provided using the asset and liability method, providing for temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for taxation purposes.

The following temporary differences are not provided for: goodwill not deductible for tax purposes; the initial recognition of assets or liabilities that affect neither accounting or taxable profit; and differences relating to investments in subsidiaries to the extent that they will probably not reverse in the foreseeable future. The amount of deferred tax provided is based on the expected manner of realization or settlement of the carrying amount of assets and liabilities, using tax rates enacted or substantively enacted at the statement of financial position date.

PINNACLE SILVER AND GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)**Income Taxes (continued)**

A deferred tax asset is recognized only to the extent that it is probable that future taxable profits will be available against which the asset can be utilized. Deferred tax assets are reviewed at each reporting date and are reduced to the extent that it is no longer probable that the related tax benefit will be realized.

Deferred tax assets and liabilities are offset when there is a legally enforceable right to the offset of current tax assets against current tax liabilities and when they relate to income taxes levied by the same taxation authority and the Company intends to settle its current tax assets and liabilities on a net basis.

Earnings (Loss) per Share

The Company presents basic and diluted earnings (loss) per share data for its common shares, calculated by dividing the loss attributable to common shareholders of the Company by the weighted average number of common shares outstanding during the period. The dilutive effect on earnings per share is calculated presuming the exercise of outstanding options, warrants and similar instruments. It assumes that the proceeds of such exercise would be used to repurchase common shares at the average market price during the year. However, the calculation of diluted loss per share excludes the effects of various conversions and exercise of options and warrants that would be anti-dilutive.

Segment Reporting

The Company's head office is in Canada and it has operations in United States. The Company operates in a single reportable operating segment – the acquisition, exploration and development of mineral properties.

Judgments and Estimates

The preparation of these condensed interim consolidated financial statements requires management to make judgments and estimates that affect the reported amounts of assets and liabilities at the date of the financial statements and reported amounts of expenses during the reporting period.

The Company has to make judgments which include but are not limited to the following:

- a) Whether facts or circumstances suggest that the carrying value of assets such as its receivables or mineral properties exceed the recoverable amount and, if so, the asset is tested for impairment.

These condensed interim consolidated financial statements include estimates which, by their nature, are uncertain. The impacts of such estimates are pervasive throughout the condensed interim consolidated financial statements and may require accounting adjustments based on future occurrences. Revisions to accounting estimates are recognized in the period in which the estimate is revised and the revision affects both current and future periods.

Significant assumptions about the future and other sources of estimation uncertainty that management has made at the statement of financial position date, that could result in a material adjustment to the carrying amounts of assets and liabilities, in the event that actual results differ from assumptions made, relate to, but are not limited to, the following:

- a) the carrying value of the investment in mineral properties and the recoverability of the carrying value;
- b) the inputs used in accounting for share-based payments expense.

PINNACLE SILVER AND GOLD CORP.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS

(Expressed in Canadian dollars)

(Unaudited – Prepared by Management)

FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024

2. MATERIAL ACCOUNTING POLICY INFORMATION (continued)

Accounting Pronouncements Not Yet Adopted

IFRS 18, Presentation and Disclosure in Financial Statements, which will replace IAS 1, Presentation of Financial Statements aims to improve how companies communicate in their financial statements, with a focus on information about financial performance in the statement of profit or loss, in particular additional defined subtotals, disclosures about management-defined performance measures and new principles for aggregation and disaggregation of information. IFRS 18 is accompanied by limited amendments to the requirements in IAS 7 Statement of Cash Flows. IFRS 18 is effective from January 1, 2027. Companies are permitted to apply IFRS 18 before that date.

In January 2020, the IASB issued amendments to IAS 1, Presentation of Financial Statements, to provide a more general approach to the presentation of liabilities as current or non-current based on contractual arrangements in place at the reporting date.

These amendments:

- specify that the rights and conditions existing at the end of the reporting period are relevant in determining whether the Company has a right to defer settlement of a liability by at least twelve months;
- provide that management's expectations are not a relevant consideration as to whether the Company will exercise its rights to defer settlement of a liability; and
- clarify when a liability is considered settled.

On October 31, 2022, the IASB issued a deferral of the effective date for the new guidance by one year to annual reporting periods beginning on or after January 1, 2024 and is to be applied retrospectively. The Company has not yet determined the impact of these amendments on its condensed interim consolidated financial statements.

PINNACLE SILVER AND GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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(Unaudited – Prepared by Management)

FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024**3. MINERAL PROPERTIES**

		April 30, 2024	Additions		January 31, 2025
Western Fold, Canada	\$	305,750	\$ -	\$	305,750
H Lake, Canada		95,000	-		95,000
Argosy, Canada		200,571	-		200,571
	\$	601,321	\$ -	\$	601,321

		April 30, 2023	Additions		April 30, 2024
Western Fold, Canada	\$	305,750	\$ -	\$	305,750
H Lake, Canada		95,000	-		95,000
Argosy, Canada		200,571	-		200,571
	\$	601,321	\$ -	\$	601,321

North Birch, CanadaWestern Fold, Canada

During the year ended April 30, 2022, the Company earned a 100% interest in the Western Fold Property in the Red Lake Mining Division of Northwestern Ontario by making the total cash payments of \$200,000 and issuing 166,666 common shares (issued at a value of \$105,750).

The option agreement is subject to a 2% NSR royalty. The Company may reduce the NSR royalty to 1% by paying the optionor \$1,000,000 at any time.

H Lake, Canada

During the year ended April 30, 2021, the Company earned a 100% interest in the H Lake property in the Red Lake Mining Division in Ontario by paying total cash payments of \$50,000 and issuing 66,667 common shares (issued at a value of \$45,000).

The option agreement is subject to a 2% NSR royalty. The Company may reduce the NSR royalty to 1% by paying the optionor \$1,000,000 at any time.

Argosy, Canada

During the year ended April 30, 2022, the Company acquired a 100% interest in the Argosy mineral properties in the Red Lake Mining Division of northwestern Ontario.

The mineral properties are subject to a 2.5% NSR royalty.

PINNACLE SILVER AND GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024**4. EXPLORATION EXPENSES**

Exploration expenditures incurred during the period ended January 31, 2025 were as follows:

2025	Argosy	El Potrero	Total
Assaying, mapping and geophysics	\$ -	\$ 953	\$ 953
Field costs	-	3,180	3,180
Travel	1,152	33,229	34,381
	\$ 1,152	\$ 37,362	\$ 38,514

Exploration expenditures incurred during the year ended April 30, 2024 were as follows:

2024	Pamlico	Argosy	North Birch	Total
Administration, consultants and salaries	\$ 3,150	\$ -	\$ -	\$ 3,150
	\$ 3,150	\$ -	\$ -	\$ 3,150

5. LOAN PAYABLE

During the year ended April 30, 2021, the Company received a loan of \$40,000 for the Canada Emergency Business Account to provide emergency support to business due to the impact of COVID-19. The loan is non-interest bearing until January 18, 2024, after which it will incur interest at 5% per annum.

During the year ended April 30, 2024, the loan started accruing interest from January 19, 2024 and was reclassified as long-term with a repayment date of December 31, 2026.

During the period ended January 31, 2025, the Company accrued interest of \$1,488 and make payments of \$1,653. Outstanding balance as at January 31, 2025 was \$39,945 (April 30, 2024 - \$40,109)

6. MARKETABLE SECURITIES**Brixton Mining Inc.**

During the year ended April 30, 2022, the Company received 5,000 shares (valued at \$310) of Brixton Metals Corp in connection with the acquisition of Cangold Limited. During the year ended April 30, 2024, the Company sold 5,000 shares for \$825 resulting in a realized gain on marketable securities of \$515 and recorded an unrealized loss of \$515.

Aguia Resources Limited

During the period ended January 31, 2025, the Company received 8,973,667 shares (valued at \$202,582) of Aguia Resources Limited (“Aguia”) in connection with the sale of a Colombian subsidiary that the Company previously held. At January 31, 2025, the Company valued the Aguia shares at \$225,692 and recorded an unrealized gain of \$23,110 from changes in the fair value.

PINNACLE SILVER AND GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024**7. EQUITY****(a) Share capital**

Authorized share capital consists of an unlimited number of common shares without par value.

(b) Share Issuances

During the period ended January 31, 2025, the Company:

- i) closed a non-brokered private placement of 17,333,333 units at \$0.03 per unit for gross proceeds of \$520,000, of which \$49,000 was received during the year ended April 30, 2024. Each unit consists of one common share of the Company and one-half share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of two years at a price of \$0.05. The Company paid \$7,650 in finders' fees and issued 255,000 share purchase finders warrants valued at \$8,200. Each finder's warrant entitles the holder to purchase one common share at a price of \$0.05 for a two-year period.

During the year ended April 30, 2024, the Company:

- i) issued 5,767,252 common shares at \$0.035 per share at a value of \$173,018 to settle accounts payable of \$201,854 which included \$130,000 of related party debt. (Note 9)

(c) Stock options

The Company adopted a stock option plan (the "Plan") pursuant to the policies of the TSX Venture Exchange. The maximum number of shares that may be reserved for issuance under the Plan is limited to 10% of the issued common shares of the Company at any time. Such options will be exercisable for a period of up to ten years from the date of grant. The vesting terms are determined at the time of grant. The continuity of stock options for the period ended January 31, 2025 and year ended April 30, 2024 is as follows:

	Nine Month Ended January 31, 2025		Year Ended April 30, 2024	
	Number of stock options	Weighted average exercise price	Number of stock options	Weighted average exercise price
Outstanding, beginning of period	16,667	\$ 0.48	295,583	\$ 0.84
Granted	3,500,000	0.05	-	-
Expired/cancelled	-	-	(278,916)	0.86
Outstanding, end of period	3,516,667	\$ 0.05	16,667	\$ 0.48

The following table summarizes information about stock options outstanding and exercisable at January 31, 2025:

Exercise price	Number outstanding	Expiry date	Number Exercisable
\$0.48	16,667*	February 25, 2025	16,667
\$0.05	3,500,000	September 23, 2029	3,500,000
	3,516,667		3,516,667

*Subsequently expired

PINNACLE SILVER AND GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024**7. EQUITY (continued)****(d) Share-Based Compensation**

During the period ended January 31, 2025, the Company granted 3,500,000 stock options to employees and consultants of the Company. The options are exercisable at \$0.05 per option for 60 months. The options were valued using the Black Scholes option pricing model resulting in share-based compensation of \$83,600. The options were fully vested on the grant date.

During the year ended April 30, 2024, the Company did not grant any stock options and recorded \$Nil in share-based compensation.

The options issued during the period ended January 31, 2025 and year ended April 30, 2024 were valued using the Black Scholes option pricing model with the following assumptions:

	Period ended January 31, 2025	Year ended April 30, 2024
Weighted average grant date fair value	\$0.024	-
Weighted average risk-free interest rate	2.74%	-
Expected dividend yield	0.0	-
Weighted average stock price volatility	189.90%	-
Weighted average expected life of options in years	5 years	-

(e) Warrants

The continuity of share purchase warrants for the period ended January 31, 2025 is as follows:

Expiry Date	Exercise Price	Balance, April 30, 2024	Issued	Exercised	Expired	Balance, January 31, 2025
August 22, 2024	\$ 0.30	1,666,667	-	-	(1,666,667)	-
August 22, 2024	\$ 0.30	14,992	-	-	(14,992)	-
April 27, 2026	\$ 0.12	4,905,112	-	-	-	4,905,112
April 27, 2026	\$ 0.12	137,589	-	-	-	137,589
May 29, 2026	\$ 0.05	-	8,666,665	-	-	8,666,665
May 29, 2026	\$ 0.05	-	255,000	-	-	255,000
		6,724,360	8,921,665	-	(1,681,659)	13,964,366
<i>Weighted average exercise price</i>		<i>\$ 0.17</i>	<i>\$ 0.05</i>	-	<i>\$ 0.30</i>	<i>\$ 0.08</i>

PINNACLE SILVER AND GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024**7. EQUITY (continued)**

(e) Warrants (continued)

The continuity of share purchase warrants for the year ended April 30, 2024 is as follows:

Expiry Date	Exercise Price	Balance, April 30, 2023	Issued	Exercised	Expired	Balance, April 30, 2024
February 23, 2024	\$ 0.72	485,833	-	-	(485,833)	-
February 23, 2024	\$ 0.72	10,500	-	-	(10,500)	-
April 20, 2024	\$ 0.72	286,863	-	-	(286,863)	-
April 20, 2024	\$ 0.72	24,088	-	-	(24,088)	-
August 22, 2024	\$ 0.30	1,666,667	-	-	-	1,666,667
August 22, 2024	\$ 0.30	14,992	-	-	-	14,992
April 27, 2026	\$ 0.12	4,905,112	-	-	-	4,905,112
April 27, 2026	\$ 0.12	137,589	-	-	-	137,589
		7,531,644	-	-	(807,284)	6,724,360
<i>Weighted average exercise price</i>		<i>\$ 0.22</i>	-	-	<i>\$ 0.72</i>	<i>\$ 0.17</i>

The compensatory warrants issued during the period ended January 31, 2025 and year ended April 30, 2024 were valued using the Black Scholes option pricing model with the following assumptions:

	Period ended January 31, 2025	Year ended April 30, 2024
Weighted average grant date fair value	\$0.03	-
Weighted average risk-free interest rate	4.39%	-
Expected dividend yield	0.0	-
Weighted average stock price volatility	187.25%	-
Weighted average expected life of warrants in years	2 years	-

8. SEGMENTED INFORMATION

The Company operates in a single reportable operating segment, being the exploration and development of mineral properties. Summarized financial information for the geographic segments the Company operates in are as follows:

	Canada	Total
January 31, 2025		
Mineral properties	\$ 601,321	\$ 601,321
April 30, 2024		
Mineral properties	\$ 601,321	\$ 601,321

PINNACLE SILVER AND GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024**9. RELATED PARTY TRANSACTIONS**

The aggregate value of transactions and outstanding balances relating to key management personnel, being officers and directors, were as follows:

For the period ended January 31, 2025	Salary or Fees	Share-Based Payment	Total
Management and Director Compensation***	\$ 46,500	\$ 52,549	\$ 99,049
Cross Davis & Company LLP **	47,250	9,554	56,804
	\$ 93,750	\$ 62,103	\$ 155,853

For the period ended January 31, 2024	Salary or Fees	Share-Based Payment	Total
Management and Director Compensation ***	\$ 74,000	\$ -	\$ 74,000
Cross Davis & Company LLP **	47,250	-	47,250
	\$ 121,250	\$ -	\$ 121,250

Related party liabilities	January 31, 2025	April 30, 2024
Due to Management*	\$ 236,623	\$ 143,522

* Due to management consists of fees owing to three key management personnel for consulting fees, of which \$220,650 was reclassified as non-current payables as the due date of these amounts were extended. The impact of this extension is considered to be immaterial.

** Cross Davis & Company LLP provides management services including a Chief Financial Officer, accounting staff, and administrative staff.

*** Included in administration and office costs and exploration expenditures.

During the year ended April 30, 2024, the Company issued 3,714,286 common shares (valued at \$111,429) to a director and officers to settle accounts payable of \$130,000 resulting in a gain of \$18,571 on the settlement of debt.

10. FINANCIAL AND CAPITAL RISK MANAGEMENT**Financial Risk Management**

The Company's financial instruments are exposed to certain financial risks, which include currency risk, credit risk, liquidity risk and interest rate risk.

Foreign currency risk

The Company is exposed to the financial risk related to the fluctuation of foreign exchange rates. The Company operates in Canada and the United States. The Company funds cash calls to its subsidiary companies outside of Canada in US dollars ("USD"). The greatest risk is the exchange rate of the Canadian dollar relative to the US dollar, as a significant change in this rate could have an effect on the Company's results of operations, financial position or cash flows. The Company has not hedged its exposure to currency fluctuations.

PINNACLE SILVER AND GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024**10. FINANCIAL AND CAPITAL RISK MANAGEMENT** (continued)

	January 31, 2025 ("USD")	April 30, 2024 ("USD")
Cash	\$ 5,565	\$ 6,102
Accounts payable and accrued liabilities	(223,749)	(220,733)
Net exposure	(218,184)	(214,631)
Canadian dollar equivalent	\$ (314,737)	\$ (293,064)

Based on the above net exposures as at January 31, 2025, and assuming that all other variables remain constant, a 10% change in the value of the Canadian dollar against the above foreign currencies would result in an increase / decrease of approximately \$31,470 (April 30, 2024 - \$29,310) to net loss for the period.

Credit Risk

The Company's cash is mainly held through large insured Canadian and United States financial institutions and receivable are mainly comprised of goods and services tax refund from the Canadian government. Accordingly, credit risk is minimized.

Liquidity Risk

Liquidity risk is the risk that the Company will not be able to meet its financial obligations as they fall due. The Company manages liquidity risk through the management of its capital resources.

Interest Rate Risk

Interest rate risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in the market interest rates. There is currently minimal interest rate risk as the Company does not have debt that bears variable interest rate.

As at January 31, 2025, the Company had cash of \$482,279 and current liabilities of \$514,192 are subject to normal trade terms. The Company has historically relied upon equity and debt financings to satisfy its capital requirements and will continue to depend heavily upon equity capital to finance its activities.

Commodity price risk

Commodity price risk is defined as the potential adverse impact on earnings and economic value due to commodity price movements and volatilities. The Company closely monitors commodity prices of gold to determine the appropriate course of action to manage this risk.

Equity price risk

Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market. Equity price risk is defined as the potential adverse impact on the Company's earnings due to movements in individual equity prices or general movements in the level of the stock market.

Management of Capital

The Company's objectives when managing capital are to safeguard the Company's ability to continue as a going concern in order to pursue the exploration and evaluation of its mineral properties. The Company relies mainly on equity issuances to raise new capital and on entering into joint venture agreements on certain properties which enables it to conserve capital and to reduce risk. In the management of capital, the Company includes the components of equity (deficiency). The Company prepares annual estimates of exploration and administrative expenditures and monitors actual expenditures compared to the estimates to ensure that there is sufficient capital on hand to meet ongoing obligations. The Company's investment policy is to invest its cash in savings accounts or highly liquid short-term deposits with terms of one year or less and which can be liquidated after thirty days without interest or penalty. The Company will have to raise additional financing to cover its exploration and administrative costs for the next twelve months. The Company's approach to the management of capital did not change during the period ended January 31, 2025.

PINNACLE SILVER AND GOLD CORP.**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS**

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FOR THE NINE MONTHS ENDED JANUARY 31, 2025 AND 2024**11. FINANCIAL INSTRUMENTS**

The carrying value of its financial assets and liabilities approximates their fair value as at January 31, 2025 due to their short term maturity except for investments in marketable securities which are carried at fair value and measured at Level 1 inputs of the fair value hierarchy. The Company classifies its financial liabilities, comprised of accounts payable and accrued liabilities, related party payables, loan payable, promissory note payable, long-term accounts payable and long-term related party payables as financial liabilities at amortized cost.

12. ADMINISTRATION AND OFFICE COSTS

	Period ended January 31, 2025	Period ended January 31, 2024
Consulting	\$ 93,889	\$ 156,996
Financial expense	2,702	3,499
Office	49,664	46,554
Travel	24,155	774
	\$ 170,410	\$ 207,823

13. SUBSEQUENT EVENTS

Subsequent to the period ended January 31, 2025, the Company

- i) signed an arms-length definitive agreement to acquire up to a 100% interest in the El Potrero project in Durango, Mexico. The 100% interest will be earned in stages.

To earn the first 50% interest, the Company must

- a) pay US\$50,000 (paid subsequently) and issue 500,000 shares (issued subsequently).
- b) pay back taxes for the property (total estimated at US\$183,000) by entering into a payment plan with the Mexican fiscal authorities whereby 20% will be paid up-front followed by 36 monthly instalments.
- c) pay US\$200,000 and issue 1,000,000 shares within 8 months of signing the agreement.
- d) pay US\$750,000 and issue 1,000,000 shares within 1 year from signing the agreement.
- e) pay US\$1,000,000 when the plant is sufficiently upgraded and all permits have been received in order to commence production, or 4 years from signing the agreement, whatever happens first.

The 50% interest will include a 50% interest in the property (including the mining concessions, machinery, equipment and land) and, going forward, all proceeds of production will be split according to the respective interest levels.

To earn an additional 20% (for a total interest of 70%), the Company must pay US\$1,500,000 1 year after commencing production or 5 years from signing the agreement, whichever happens first.

To earn an additional 20% (for a total interest of 90%), the Company must pay US\$3,000,000 2 years after commencing production or 7 years from signing the agreement, whatever happens first

At this point, both parties will decide whether to continue with a participating interest or the vendor will have the option to convert the remaining 10% interest to a 2% Net Smelter Royalty.

If the Company establishes a Mineral Resource Estimate, as defined by NI 43-101, of at least 350,000 gold equivalent ounces in the Inferred category the Company must pay a bonus of US\$1,000,000 and issue 1,000,000 shares.

PINNACLE SILVER AND GOLD CORP.

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13. SUBSEQUENT EVENTS (continued)

- ii) closed a non-brokered private placement of 20,000,000 units at \$0.04 per unit for gross proceeds of \$800,000, of which \$494,030 was received during the period ended January 31, 2025. Each unit consists of one common share of the Company and one-half share purchase warrant. Each warrant entitles the holder to purchase one common share for a period of two years at a price of \$0.06. No finder's fees were paid.