Pinnacle Provides Progress Update for El Potrero Gold-Silver Project

VANCOUVER, BRITISH COLUMBIA, January 13, 2026 (TSXV: PINN, OTC: PSGCF, Frankfurt: P9J) – Pinnacle Silver and Gold Corp. ("**Pinnacle**" or the "**Company**") is pleased to provide an update on progress at the high-grade El Potrero gold-silver project in Durango, Mexico. Having just signed the agreement at the end of February 2025, to acquire up to a 100% interest, the company has made significant progress in advancing the project with the goal of fast-tracking it to production and capitalizing on high precious metal prices.

"2025 was a pivotal year for Pinnacle with the rapid progress towards production on the Potrero project," stated Robert Archer, Pinnacle's President & CEO. "After only 10 months on the project, we have established a substantial high-grade epithermal gold-silver system and are ready to initiate underground delineation drilling to be followed by surface drilling to fill in gaps and test new targets. Metallurgical test work is continuing, and discussions are progressing for an offtake agreement to secure production financing. Project evaluations are also ongoing, with the goal of making another acquisition this year. We look forward to continued progress through 2026 and to keeping shareholders up to date on the company's development."

HIGHLIGHTS OF WORK COMPLETED IN 2025:

Geological Model

The El Potrero Project contains a low-sulphidation epithermal gold-silver system that has been traced for more than 1,600 metres along strike and 500 metres in width in the northern part of the property. This type of deposit is common throughout the Sierra Madre of western Mexico and includes many significant mines. The veins at El Potrero exhibit many of the same features that are characteristic of this type of deposit, yet the project has not been systematically explored and has always been privately owned.

Pinnacle's geological team has been conducting extensive and systematic surface and underground mapping and sampling comprising 1,196 samples in 2025. This has included the definition of other veins such as El Capulin and La Estrella that not only expand the mineralizing system laterally but potentially have more vertical continuity.

Overall, this work has not only confirmed the geological model but is ongoing in developing a detailed understanding of grade distribution and exploration potential that is so important to future targeting for drilling and resource development. Gold-silver mineralization of potentially economic grades in vein deposits typically occurs in pockets or zones, called 'clavos' in Mexico, and the detailed sampling has aided in defining these within the historic mine workings on the property. Drilling will further define their size, shape, and overall grade.

High Gold and Silver Grades

One feature of low sulphidation epithermal deposits is that the grades can be locally very high. El Potrero displays this characteristic with individual underground channel samples grading up to 85.1 g/t Au and 520 g/t Ag, while surface sampling returned similar gold values but higher silver grades up to 2,280 g/t Ag (see table below). Diamond drilling, more sampling, and mineralogical work will be necessary to determine if this indicates a vertical zonation of silver or simply a surficial feature.

Select High-Grade Gold-Silver Results from 2025 Sampling at El Potrero

	Au g/t	Ag g/t	Length (m)
Surface	13.2	2,280	0.3
	9.9	1,444	0.35
	36.4	1,029	1.4
	37.4	755	1.2
Underground	50.3	269	1.7
	34.6	221	1.0
	15.6	222	1.1

Metallurgical Testing

A key component of moving towards production is the determination of a deposit's metallurgy. As such, three samples were taken from underground at the historic Pinos Cuates mine, the central of the three main mines on the Dos de Mayo structure, and sent to SGS Durango for preliminary test work. The samples were prepped and assayed then underwent grinding and gravity separation tests, and bottle roll leaching. Given that these were preliminary tests, there was no optimization, yet the results from leach tests indicated gold recoveries ranging from 92.81% to 96.79% and averaging 95.09%. Silver recoveries were lower and more variable, due to more complex mineralogy, and ranged from 41.41% to 73.53%, averaging 54.68%. Mineralogical studies and further optimization will be required to obtain consistently higher silver recoveries.

While the results of gravity separation tests were variable, they did indicate that this method would be useful in extracting some of the gold prior to leaching. Further studies will be conducted on this.

Processing Plant

The processing plant on site was built in the late 1980's but only operated for a few months, apparently for reasons other than operational ones, and has been idle ever since. It is estimated to be capable of processing about 100 tonnes per day utilising crushing, milling, vat leach and Merrill Crowe circuits, but will need new equipment. Pinnacle has cleaned up the plant site and surrounding infrastructure and conducted a preliminary assessment of the cost to rebuild the plant and install a dry-stack tailings

facility. These estimates will be updated based upon the ongoing metallurgical testing and announced in due course.

Strengthening In-Country Management

The success of any company and project ultimately comes down to the people and, to that end, Pinnacle hired Carlos Castro Villalobos as Project Manager and Jorge Ortega, P.Geo. as Project Manager and Exploration Manager, respectively. Ing. Castro is a highly experienced Mining Engineer, having built and operated mines for several companies throughout Mexico, including seven years as General Manager of the Guanajuato Mine for Great Panther Silver. Mr. Ortega is currently the Qualified Person (QP) for the project but was also previously Exploration Manager for Great Panther and VP Exploration for Excellon Resources.

The extensive experience of these two gentlemen, in addition to the geological team on site, will guide the technical success of the project. In addition, the fact that Pinnacle has a 100% Mexican team in-country goes a long way to ensuring strong relationships with local communities and government officials that are so important in obtaining and maintaining a social license.

Community Relations

Although the historic mines and the plant sit on private property, portions of the project are on ejido land. While Pinnacle has not yet conducted any work on those surrounding areas, preliminary discussions have been held with local communities in order to ensure strong positive relationships and formalize long-term access agreements. As the geological team is already living in a local small community and the company employs local workers, the communities are very supportive. One of those communities is Topia, a mining town and staging ground for Pinnacle. Not only is that community very supportive of mining but it is an excellent source of supplies, equipment, contractors and skilled labour.

Permitting

The permitting environment in Mexico has improved significantly in the last year. Other mining companies with advanced stage projects are now getting permitted and government departments are clearing the backlog of applications. To this end, Pinnacle has already conducted meetings with SEMARNAT, the federal environmental ministry, CONAGUA, the federal water agency, and CFE, the federal electrical commission, and preliminary submissions have been made towards obtaining various permits that will be required as the project progresses. To date, we continue to have a constructive dialogue towards positive permitting decisions as this is a complex and iterative process.

LiDAR Survey

Pinnacle recently conducted an airborne LiDAR survey across the entire 11 km^2 property, from which 64 adits, 6 shafts and 51 prospecting pits were interpreted by a leading consultant in this field. While many of these lie along the Dos de Mayo vein structure in the northern 10% of the property, confirming

the trend, most of the remainder lie on the other 90% that has yet to be explored. This underscores the prospectivity of the project and has highlighted a number of areas that we will explore this year to determine whether they have the potential for an incremental addition to vein-type mineralization or if they represent a new style of mineralization altogether.

UPCOMING WORK AND CATALYSTS FOR 2026

Despite having had the property for less than a year, we have sufficient information from the detailed and systematic sampling of the historic mines to launch an underground definition drilling program on known zones of gold-silver mineralization. Contractors were on site last week to assess the conditions of the mine workings in order to prepare proposals for the work. Priority is being given to delineation drilling of mineralized zones on the Dos de Mayo vein structure that will lead to a preliminary mine plan.

It is anticipated that the preparatory work necessary to enlarge the drill stations will begin in early February with drilling to follow once the sites are prepared and secured from a safety perspective. The first phase of this work will comprise approximately 1,100 meters in about 50 holes, with each hole being in the range of 20-25 metres in length. Beyond that, step-out holes will be prioritized based upon their potential to add resources that could be quickly developed in a production scenario.

Surface drilling will be initiated as soon as permits are in place. Holes will be drilled to fill in gaps in the Dos de Mayo vein that cannot be reached from underground, to step out along strike on the Dos de Mayo vein, and to test the Capulin and Estrella veins. Surface mapping, sampling and prospecting will be continued within this area and a new crew is being hired to follow up on the numerous targets interpreted from the LiDAR survey.

Seven more samples have been taken for continued metallurgical testing. Based upon the first round of testing, mineralogical tests will be conducted to determine the silver minerals in particular, the tails from gravity separation will be leached this time, with gold recoveries from the two processes added together, and various other aspects of the process will be optimized with the aim of improving recoveries, even though gold recoveries are already anticipated to be in the 95% range.

Discussions with, and submissions to SEMARNAT, CONAGUA and CFE are continuing with the aim of first obtaining a permit for surface drilling, to be followed by additional permits as required for underground development and plant reconstruction.

Discussions are also being held with local communities to obtain formal long-term access agreements for portions of the property that have not yet been explored.

QA/QC

The technical results contained in this news release have been reported in accordance with National Instrument 43-101 Standards of Disclosure for Mineral Projects ("NI 43-101"). Pinnacle has implemented industry standard practices for sample preparation, security and analysis given the stage of the Project. This has included common industry QA/QC procedures to monitor the quality of the

assay database, including inserting certified reference material samples and blank samples into sample batches on a predetermined frequency basis.

Systematic chip channel sampling was completed across exposed mineralized structures using a hammer and maul. The protocol for sample lengths established that they were not longer than two metres or shorter than 0.3 metres. The veins tend to be steeply dipping to vertical, and so these samples are reasonably close to representing the true widths of the structures. Samples were collected along the structural strike or oblique to the main structural trend. Grab samples, by their nature, are only considered as indicative of local mineralization and should not be considered as representative.

All samples were bagged in pre-numbered plastic bags; each bag had a numbered tag inside and were tied off with adhesive tape and then bulk bagged in rice bags in batches not to exceed 40 kg. They were then numbered, and batch bags were tied off with plastic ties and delivered directly to the SGS laboratory facility in Durango, Mexico for preparation and analysis. The lab is accredited to ISO/IEC 17025:2017. All Samples were delivered in person by the contract geologist who conducted the sampling under the supervision of the QP.

SGS sample preparation code G_PRP89 including weight determination, crushing, drying, splitting, and pulverizing was used following industry best practices where all samples were crushed to 75% less than 2 mm, riffle split off 250 g, pulverized split to >85% passing 75 microns (µm). All samples were analyzed for gold using code GA_FAA30V5 with a Fire Assay determination on 30g samples with an Atomic Absorption Spectography finish. An ICP-OES analysis package (Inductively Coupled Plasma - Optical Emission Spectrometry) including 33 elements and 4-acid digestion was performed (code GE_ICP40Q12) to determine Ag, Zn, Pb, Cu and other elements.

Qualified Person

Mr. Jorge Ortega, P. Geo, a Qualified Person as defined by National Instrument 43-101, and the author of the NI 43-101 Technical Report for the Potrero Project, has reviewed, verified and approved for disclosure the technical information contained in this news release.

About the Potrero Property

El Potrero is located in the prolific Sierra Madre Occidental of western Mexico and lies within 35 kilometres of four operating mines, including the 4,000 tonnes per day (tpd) Ciénega Mine (Fresnillo), the 1,000 tpd Tahuehueto Mine (Luca Mining) and the 250 tpd Topia Mine (Guanajuato Silver).

High-grade gold-silver mineralization occurs in a low sulphidation epithermal breccia vein system hosted within andesites of the Lower Volcanic Series and has three historic mines along a 500 metre strike length. The property has been in private hands for almost 40 years and has never been systematically explored by modern methods, leaving significant exploration potential.

A previously operational 100 tpd plant on site can be refurbished / rebuilt and historic underground mine workings rehabilitated at relatively low cost in order to achieve near-term production once permits are in place. The property is road accessible with a power line within three kilometres.

Pinnacle will earn an initial 50% interest immediately upon commencing production. The goal would then be to generate sufficient cash flow with which to further develop the project and increase the Company's ownership to 100% subject to a 2% NSR. If successful, this approach would be less dilutive for shareholders than relying on the equity markets to finance the growth of the Company.

About Pinnacle Silver and Gold Corp.

Pinnacle is focused on the development of precious metals projects in the Americas. The high-grade Potrero gold-silver project in Mexico's Sierra Madre Belt hosts an underexplored low-sulphidation epithermal vein system and provides the potential for near-term production. In the prolific Red Lake District of northwestern Ontario, the Company owns a 100% interest in the past-producing, high-grade Argosy Gold Mine and the adjacent North Birch Project with an eight-kilometre-long target horizon. With a seasoned, highly successful management team and quality projects, Pinnacle Silver and Gold is committed to building long-term, sustainable value for shareholders.

Signed: "Robert A. Archer"
President & CEO

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