PINNACLE SILVER & GOLD CORP.

MANAGEMENT'S DISCUSSION AND ANALYSIS

Year ended April 30, 2026

GENERAL

This management's discussion and analysis of financial position and the results of operations is prepared as at August 25, 2026 and should be read in conjunction with the audited consolidated financial statements of Pinnacle Silver & Gold Corp. ("the Company") for the year ended April 30, 2026 and 2025 and related notes thereto.

These consolidated financial statements were prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB"). All dollar amounts included therein and in the following management's discussion and analysis ("MD&A") are in Canadian dollars except where noted. These documents and other information relevant to the Company's activities are available for viewing on SEDAR+ at www.sedarplus.ca.

FORWARD-LOOKING STATEMENTS

Certain statements contained in the MD&A constitute forward-looking statements. Such forward-looking statements involve a number of known and unknown risks, uncertainties and other factors which may cause the actual results, performance or achievements of the Company to be materially different from future results, performance or achievements expressed or implied by such forward-looking statements. Readers are cautioned not to place undue reliance on these forward-looking statements.

Due to the risks and uncertainties identified above and elsewhere in this MD&A, actual results may differ materially from current expectations. The Company disclaims any intention or obligation to update or revise any forward-looking statements, whether as a result of new information, future events or otherwise except as required by securities law.

DESCRIPTION OF BUSINESS

The Company was incorporated under the *Business Corporation Act* (B.C.) on May 16, 2006.

The Company is an exploration and development company dedicated to the identification, acquisition, exploration and development of precious metal projects. The Company's strategy is to advance its key projects through prospecting, drilling and development stages and to seek strategic partners to fund continued project development through to production.

EXPLORATION PROPERTY REVIEW

Mr. Robert A. Archer, P. Geo, a Qualified Person as defined by National Instrument 43-101 and the President and CEO of the Company, has reviewed, verified, and approved for disclosure the technical information contained in this MD&A relating to Canadian properties.

Mr. Jorge Ortega, P. Geo, a Qualified Person, and independent from Pinnacle, 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 MD&A relating to the El Potrero property.

El Potrero, Mexico

During the year ended April 30, 2025, the Company signed an option 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) and issue 500,000 shares (issued and valued at $20,000).
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 (paid to date).
c) pay US$200,000 (paid) and issue 1,000,000 shares (issued and valued at $100,000) within eight months of signing the agreement (October 21, 2025).
d) pay US$750,000 and issue 1,000,000 (issued and valued at $135,000) shares within one year from signing the agreement. During the year ended April 30, 2026, the Company signed an amendment agreement with the vendor to split US$750,000 cash payment into three equal portions. The new payment schedule will comprise payments of US$250,000 on each of February 24, 2026 (paid), May 24, 2026 (paid) and August 24, 2026 ($50,000 was paid subsequent to year end, $200,000 to be paid subsequently).
e) pay US$1,000,000 when the plant is sufficiently upgraded and all permits have been received in order to commence production, or four years from signing the agreement (February 21, 2029), whatever happens first.

In connection with the option agreement, the Company issued 151,580 common shares with a value of $13,063 as a finder's fee.

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% NSR 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 issue 1,000,000 shares.

On March 18, 2025, the Company announced that Phase I field work had commenced on the project. Preliminary sampling of mineralized veins containing grey-black ginguro bands (very fine grained silver-gold mineralization) in the Pinos Cuates Mine returned an arithmetic average from four chip channel samples (see Table 1 below) of 8.04 g/t gold (Au) and 146 g/t silver (Ag) (9.70 g/t Au Equivalent or 853 g/t Ag Equivalent1), consistent with the historic production grades reported verbally by the vendors, and the historic resource estimate of 45,561 tonnes at 8.0 g/t Au and 186 g/t Ag (10.1 g/t Au Eq or 890 g/t Ag Eq[1]). These resources are historical in nature and Pinnacle is not treating these estimates as current mineral resources as a qualified person on behalf of Pinnacle has not done sufficient work to classify them as current mineral resources.

Table 1: Mineralized Samples from the Pinos Cuates Mine

Sample Length (metres)	Gold (g/t)	Silver (g/t)	Gold Equivalent (g/t)[1]	Silver Equivalent (g/t)[1]
0.9	9.32	254	12.21	1,074
0.8	8.21	153	9.95	875
1.4	7.92	63	8.64	760
0.3	6.71	113	7.99	703

1 Gold and silver equivalents calculated using a gold:silver price ratio of 88 (i.e. 88 g/t silver = 1 g/t gold). The metal prices used to determine the 88:1 ratio are the closing spot prices in New York on March 14, 2025: US$2,983.30/oz gold and US$33.765/oz silver.

As part of Pinnacle's due diligence on the property, non-systematic sampling of the main exposed structures in underground workings at the Dos de Mayo, Pinos Cuates and La Dura historic mines was undertaken during two visits in October and December of 2024 (see Figure 1). The lack of any detailed surface or underground maps and the general inaccessibility of most of the old stopes containing the mineralization underground led to the non-systematic nature of the sampling. Vein exposures underground were typically less than two metres, thereby limiting the width of the veins that could be sampled. As such, professional mining contractors are being brought in to render these areas safe for a more systematic sampling program.

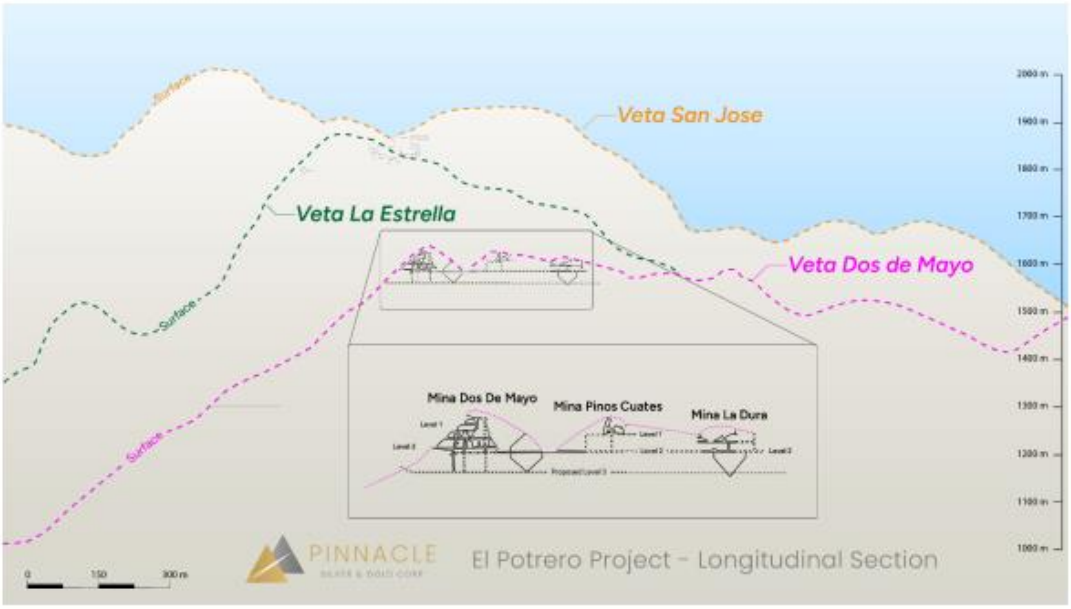


Figure 1: Longitudinal section, looking southwest, of underground workings and vein projections at the Potrero Project.

Assays from the first visit indicated that the vein system is clearly gold- and silver-bearing, while the second visit allowed for the more precise identification of mineralized zones within the veins, particularly in the Pinos Cuates workings where an 'upper' level, approximately 10 metres above the previous visit, was examined and sampled, yielding the results in Table 1 above. Values in the 35 underground samples ranged from 0.047 to 9.32 g/t Au and <2 to 254 g/t Ag. Importantly, there is no significant amount of base metals or any deleterious elements that could impact the metallurgy. Following the cleaning of the underground workings, the vein system will be surveyed, mapped and systematically sampled in order to determine the structural controls on gold-silver mineralization as the highest grades tend to occur in 'shoots'. Once these are better defined, a diamond drilling program can be planned to systematically test these areas for continuity. As no drilling has been conducted previously, the vein system is open in all directions.

While the underground workings are being rehabilitated, surface mapping will get underway to trace out the vein system and gain a better understanding of the geological setting. Initially, this work will focus on the area above the historic mines then work out along strike to the northwest and southeast. From observations made during the due diligence period, the veins appear to splay along strike and several parallel veins exist both on the property and on neighbouring ground, suggesting that the system may be more extensive than initially realized. Given the importance of structure in these types of vein systems, a LiDAR (Light Detection and Ranging) survey is being planned for the entire property. LiDAR is a remote-sensing and laser technology that 'sees' through overburden and maps out the rock subsurface in a way that allows for the interpretation of structural features that can be important in controlling gold-silver mineralization. This interpretation will also be used in the planning of upcoming drill programs. Roads on the property are being rehabilitated and the campsite will be cleaned and rebuilt. In due course, discussions will be held with the federal electrical commission to extend the power line to the plant site, a distance of only about three kilometres.

On April 17, 2025, the Company provided an update on progress at the recently acquired high-grade gold-silver El Potrero property in Durango, Mexico.

Phase I field work commenced within a week of signing the Definitive Agreement and is progressing well. Surface mapping has extended the vein system along strike to the northwest for approximately 1,100 metres

from the Dos de Mayo Mine and 46 samples have been taken for analyses. Cleaning of the underground workings at the historic Pinos Cuates, La Dura and Dos de Mayo Mines has been completed, and the Pinos Cuates Mine has been mapped and sampled, with 86 samples being taken of the vein system as it is exposed underground. All 132 samples have been submitted to the SGS lab in Durango City.

In addition, access roads to the project and up to the mine portals have been cleared. The plant has been almost completely cleaned up, and an inspection is being planned to assess the approximate cost and schedule to get it ready for production again.

Surface mapping to date has identified the dominant lithologies as comprising an andesitic volcanic sequence with alternating flows and breccias. The units belong to the upper part of the Lower Volcanic Series, the preferred and most common host for gold and silver mineralization in the Sierra Madre Belt. There is a strong northwest-southeast structural trend hosting the vein system at El Potrero that parallels the regional trend of the Sierra Madre. To date, several sub-parallel veins have been identified on the southwest side of the Pinos Cuates mine, indicating that the vein system is at least 125 metres wide at this locality. Vein widths have been measured as ranging from 0.50 metres on surface up to 7 metres underground at Pinos Cuates.

Most of the samples taken at the historic Pinos Cuates Mine consist of vein breccia with angular clasts of variable composition, clasts of colloform quartz, chalcedonic quartz, and bands of opaque quartz with a black mineral, thought to be ginguro (very fine grained silver-gold mineralization). The footwall rocks are andesite with strong chlorite-pyrite alteration, whereas a felsic dike with porphyritic texture has been observed in the hanging wall of the veins both underground and on surface, implying a long and active period of hydrothermal activity.

On June 2, 2025, the Company announced that systematic sampling of the historic underground workings at the Pinos Cuates Mine on the El Potrero property in Durango, Mexico has resulted in the definition of a lens of high-grade gold and silver mineralization, with individual samples returning up to 37.3 g/t gold (Au) and 346 g/t silver (Ag).

HIGHLIGHTS

• Systematic channel sampling of the underground workings at the historic Pinos Cuates Mine has returned composite channel assays of up to 19.4 g/t Au and 266 g/t Ag over 4.1 metres, including 37.3 g/t Au and 346 g/t Ag over 0.6 metres and 31.2 g/t Au and 395 g/t Ag over 0.5 metres.

• Underground mapping in the Pinos Cuates mine is outlining a wide, robust vein breccia system with exposed vein widths locally exceeding 10.46 metres and 8.5 metres on the upper and lower levels, respectively. Ultimate widths are not yet known as the outer contacts were not always exposed and will have to be determined by future diamond drilling.

• Surface mapping has traced the Dos de Mayo vein system for 1.6 kilometres along strike. Sampling of outcrop exposures was highlighted by a vein in an old pit between the Pinos Cuates and Dos de Mayo Mines, where there are no underground workings, that returned 13.2 g/t gold and 2,280 g/t silver and 5.2 g/t Au and 745 g/t Ag.

Of the two levels in the mine, the upper level returned the highest grades and most consistent mineralization. The entire 40-metre length of the upper level adit is variably mineralized, with three composite channels over a strike length of 6 metres returning 19.4 g/t Au and 266 g/t Ag over 4.1 metres, 13.15 g/t Au and 78 g/t Ag over 1.0 metre, and 11.4 g/t Au and 131 g/t Ag over 2.5 metres. This high-grade mineralization is ‘shouldered’ along strike to the northwest and southeast by 4.7 g/t Au and 80 g/t Ag over 4.0 metres and

3.9 g/t Au and 51 g/t Ag over 1.0 metre, respectively. Additional composite channels to the southeast yielded 7.8 g/t Au and 220 g/t Ag over 1.3 metres and 5.0 g/t Au and 272 g/t Ag over 2.0 metres. It should be noted that channel sampling of the full width of the vein exposure was locally restricted by accessibility.

Sampling on the lower level was highlighted by 3.3 g/t Au and 36 g/t Ag over 4.0 metres down-dip of the high-grade section on the upper level and 7.13 g/t Au and 130 g/t Ag over 0.5 metres along strike to the southeast.

Concurrent with the underground program, surface mapping and prospecting along the main Dos de Mayo vein system, resulted in the discovery of an old pit with vein material containing visible gold and ginguro (grey-black bands of electrum and silver sulphides) that assayed 13.2 g/t Au and 2,280 g/t Ag and 5.2 g/t Au and 745 g/t Ag in two grab samples. Investors are cautioned that grab samples, by their nature, provide only a preliminary indication of grades and are not considered representative. Follow up trenching and channel sampling will be conducted here. Situated roughly halfway between the Pinos Cuates and Dos de Mayo mines (Figure 2), this discovery underscores the potential to connect the mineralization between the historic workings (200 metres).

On June 25, 2025, the Company provided an update on the high-grade Potrero gold-silver property in Durango, Mexico. While surface and underground mapping and sampling continues, a recent site visit was conducted for consultants to assess the condition of the processing plant and provide guidance on potential permitting procedures.

Geological Program

A review was conducted with the geological team whereby the importance of a quartz-feldspar (+/- biotite) porphyry dyke is being recognized as it follows the same structure that hosts the mineralized quartz breccia vein system. These types of dykes, and their potential association with rhyolite domes, are commonly associated with epithermal systems.

The dyke is pre-mineral as evidenced by the presence of quartz veinlets and associated weak gold-silver values within. It may have provided a competency contrast with the host andesitic volcanics and/or opened up the structure for the injection of mineralizing fluids. As such, the presence of the dyke appears to be an important component in localizing gold-silver mineralization within the breccia and may well become a critical exploration feature.

In particular, it was observed that some of the underground workings are entirely within the dyke and the presence of potentially mineralized vein breccia, presumably in the wall of the workings, needs to be drill-tested. The possibility of doing this via an underground drilling program is currently being assessed as it could be faster and cheaper than a surface drill program.

Follow-up sampling is being conducted in the areas of high-grade gold-silver mineralization that has been identified to date, including the upper level of the historic Pinos Cuates mine (see Figure 3) where composite channel samples returned up 19.4 grams per tonne gold (g/t Au) and 266 grams per tonne silver (g/t Ag) over 4.1 metres, with individual samples returning up to 37.3 g/t Au and 346 g/t Ag.

Additional channel sampling is also being conducted in areas that were previously restricted by accessibility that has now been improved by the installation of metal ladders. First pass sampling of the Dos de Mayo mine is complete, with 167 samples taken and submitted to the SGS lab in Durango. Underground mapping and sampling will now progress to the easternmost La Dura and La Dura 2 workings, where fine-grained visible gold and ginguro (grey-black bands of electrum and silver sulphides) were observed on the site visit.

Surface prospecting, mapping and sampling along the main Dos de Mayo vein system is continuing, with cleaning and sampling of historical trenches being conducted in areas of interest such as the old pit with vein material containing visible gold and ginguro that assayed 13.2 g/t Au and 2,280 g/t Ag and 5.2 g/t Au and 745 g/t Ag in two grab samples.

A program of combined underground and surface diamond drilling is being devised in order to systematically test the Dos de Mayo vein system. Underground drilling would consist of short (10-20 metres), closely spaced (10-15 metres) holes drilled into the walls of the underground workings and would be designed to test the width, continuity and grade of the breccia vein. Results would be used to guide future mine development. Surface holes would be more widely spaced (potentially 50 metres) and would be designed to give a more complete cross-section through the 500 metre mine area as well as test the continuity of the vein structure and mineralization along strike of the historic mines. Further details will be provided in due course.

Plant Assessment

With access roads to the project and the area around the plant having been completely cleaned up, an inspection was conducted by a plant consultant to assess the approximate cost and schedule to get it ready for production again. While a final report will be submitted to the company within approximately 3-4 weeks, it was determined that the basic infrastructure (framework, excavation and civil pads) appears to be sound, thereby significantly reducing both costs and time to get it production-ready. As such, future costs required will be focused on specific equipment such as new/refurbished crushers, ball mill, pumps, leaching and solution recovery equipment, and the Merrill Crowe circuit, etc. This will ensure required plant capacity and reliability during operation.

Metallurgical testing will also be undertaken and once all the equipment has been sized and a new flowsheet designed, water balance and connected power requirements will be determined that will, in turn, provide the basis for permitting and discussions with the Comision Federal de Electricidad - the federal electrical commission. The existing power line comes to within about three kilometres of the plant, but a new or upgraded substation may need to be established to provide sufficient power to the site. Potential areas for a dry-stack tailings storage facility were also examined as a means of water recovery and conservation.

Further details will be provided as the assessment progresses.

Permitting

A permit consultant was taken to the project to initiate a site review for the purpose of permitting near-term diamond drilling, mid-term mine development and site preparation, and future production. As anticipated, the Company was advised that the previous disturbance of the site by historic activity will significantly speed up and simplify the permitting process. Guidelines on the requirements for baseline studies, to include extensive photos, soil and water samples, etc. were discussed and a compilation of this material has already been initiated. A more formal proposal from the consultant will be submitted to the Company within the next two weeks, whereby the permitting process can get underway.

At a higher level, meetings were held with the Company's corporate and environmental lawyers to discuss the anticipated process of completing and filing permit applications with the authorities in such a way as to minimize any potential delays.

On July 22, 2025, the Company announced that continuing underground channel sampling in the historic Pinos Cuates mine at the El Potrero Project in Durango, Mexico has returned multiple high-grade assays up to 85.1 grams/tonne gold (g/t Au) and 520 grams/tonne silver (g/t Ag) over 0.5 metres. A raise (inclined

tunnel) between the main and upper levels of the mine provided additional access to the highest grade portion of the vein that returned composite channel assays of up to 19.4 g/t Au and 266 g/t Ag over 4.1 metres.

The recent installation of metal ladders provided new and safe access for the geological crew to sample a different portion of this zone on a sub-level, resulting in composite channel assays of 50.3 g/t Au and 269 g/t Ag over 1.7 metres, 34.6 g/t Au and 228 g/t Ag over 1.0 metre, 9.84 g/t Au and 141 g/t Ag over 4.2 metres and 8.33 g/t Au and 154 g/t Ag over 1.8 metres.

Individual Sample Results and Composite Channel Assays – Pinos Cuates Raise

Sample No.	Sample Length (m)	Composite No.	Composite Length (m)	Au g/t	Ag g/t
EPUG25421	1.0	**13**	**1.0**	**34.6**	**228**
EPUG25422	0.5	14		85.1	520
EPUG25423	0.6	14		30.5	143
EPUG25424	0.6	14		41.1	187
		14	**1.7**	**50.3**	**269**
EPUG25425	0.8	15		7.8	59
EPUG25426	0.6	15		24.1	288
EPUG25427	0.7	15		5.8	138
EPUG25428	0.7	15		17.4	327
EPUG25429	0.7	15		4.0	38
EPUG25430	0.7	15		2.3	31
		15	**4.2**	**9.8**	**141**
EPUG25431	0.5	16		10.7	214
EPUG25432	0.5	16		15.0	256
EPUG25433	0.8	16		2.7	52
		16	**1.8**	**8.3**	**154**

A total of 42 channel samples were taken in 16 composite channels in the raise. Grades ranged from 0.105 to 85.1 g/t Au and 9 to 520 g/t Ag. All samples were assayed for gold, silver and a suite of 32 other elements, including copper, lead and zinc. However, the base metal assays were consistently low, confirming that this is a precious metal dominant system.

The Pinos Cuates mine is the middle of three historic mines along a 500 metre strike length on the Dos de Mayo vein system on the Potrero property. Underground sampling is continuing at the Dos de Mayo mine to the southeast and will be followed by sampling of the La Dura mine to the northwest. The vein system has been traced on surface for 1,600 metres and there are other parallel and splay veins that are being further defined as the property has never been systematically explored. The mine workings are currently being accurately surveyed such that a 3D model can be created.

On September 9, 2025, the Company provided update on Systematic underground channel sampling in the historic Dos de Mayo mine. The sampling provided a good look at the gold-silver distribution within the known mineralized zone. Fifty-three channel samples, in 13 composite channels, were taken within a raise

(inclined tunnel approximately 1.5 metres in diameter) connecting two levels 25.5 metres apart. Composite assays up to 11.2 grams per tonne gold (g/t Au) and 179 grams per tonne silver (g/t Ag) over 3.5 metres, 15.55 g/t Au and 222 g/t Ag over 1.1 metres, and 11.93 g/t Au and 190 g/t Ag over 1.4 metres (see table 1) were obtained, with individual assays up to 27.6 g/t Au and 366 g/t Ag over 0.6 metre. The weighted average of mineralized composites within the raise assayed 6.43 g/t Au and 110 g/t Ag.

Of the 53 channel samples taken in the raise, grades ranged from 0.061 to 27.6 g/t Au and eight to 366 g/t Ag. An additional 146 channel samples were taken on the main level at Dos de Mayo and, as noted above, values were mostly less than one g/t Au as this is considered to be outside of the mineralized horizon. On a sublevel, approximately 25.5 metres above, and connected to, the main level, 42 channel samples were taken, in nine composites, highlighted by 10.99 g/t Au and 61 g/t Ag over 0.9 metre, and 4.22 g/t Au and 40 g/t Ag over 0.6 metre. It is not yet fully understood how the sublevel is positioned relative to the mineralized zone.

Table 1: Composite Channel Assays – Dos de Mayo Raise

Sample Numbers	Composite No.	Composite Length (m)	Au g/t	Ag g/t
EPUG25507-25510	2	2.0	7.27	63
EPUG25511-25514	3	1.9	2.02	50
EPUG25516-25518 and 25521-25523	4	2.9	4.95	116
EPUG25524-25529	5	3.2	6.43	119
EPUG25530-25532	6	1.8	6.23	106
EPUG25538-25539	8	1.7	2.08	45
EPUG25541-25543	9	2.6	2.15	58
EPUG25544-25549	10	**3.5**	**11.20**	**179**
EPUG25550-25551	11	1.3	4.95	100
EPUG25552-25553	12	**1.1**	**15.55**	**222**
EPUG25556-25557	13	**1.4**	**11.93**	**190**

All samples were assayed for gold and silver, and a suite of 32 other elements, including copper, lead and zinc. However, the base metal assays were consistently low, confirming that this is a precious metal dominant system.

On September 24, 2025, the Company provided further update that continuing surface mapping and sampling, in conjunction with the previously announced high-grade gold-silver mineralization in the historic Pinos Cuates and Dos de Mayo mines, is revealing the presence of a robust low-sulphidation epithermal system at the Potrero project in Durango, Mexico. Not only has the surface sampling extended the underground mineralization to surface, but a parallel vein some 200 metres to the southwest, called El Capulin, is demonstrating good continuity of gold-silver mineralization.

Highlights:

- Surface sampling above the Pinos Cuates and Dos de Mayo mines has extended high-grade gold-silver mineralization over a vertical distance of up to 80 metres;

- Silver grades of 2,280 grams per tonne and 1,444 g/t at surface imply a potential vertical zonation with silver increasing upward in the system;
- A newly defined mineralized vein called El Capulin lies parallel to, and approximately 200 metres away from, the Dos de mayo vein and has been traced and sampled for approximately 375 metres along strike with grades up to 6.27 g/t Au (gold) and 99 g/t Ag (silver);
- The identification of El Capulin and the vertical extension of gold-silver mineralization have significantly increased the potential of the project.

Above the Dos de Mayo mine, the previously announced 13.2 g/t Au and 2,280 g/t Ag over 0.30 metre is accompanied by a new grab sample assaying 9.9 g/t Au and 1,444 g/t Ag over 0.35 metre. These, and other samples, effectively extend the mineralization from an elevation of 1,490 masl (metres above sea level) to 1,570 masl, a vertical distance of 80 metres (see longitudinal section below). Above the Pinos Cuates mine, surface channel sampling returned up to 37.4 g/t Au and 755 g/t Ag over 1.2 metres, while sampling in a small underground working called El Jabali returned up to 36.4 g/t Au and 1,029 g/t Ag over 1.4 metres, together defining a vertical distance of 45 metres from 1,520 masl to 1,565 masl. There is an unexplored gap of approximately 120 metres between the Dos de Mayo and Pinos Cuates mines where there is no outcrop exposure or underground workings, but the two mines define a strike length of approximately 325 metres.

The El Capulin vein is a northwest-southeast-trending structure and has been mapped along a 375 m strike, about the same length defined by the Dos de Mayo and Pinos Cuates mineralization, interrupted and displaced by a northeast-trending fault. In contrast to the breccia vein on the Dos de Mayo trend, it is a crystalline quartz vein with bands of lattice bladed quartz. It has an azimuth of 325 degrees with a dip of 65 degrees to 85 degrees northeast and width of 45 to 60 centimetres, or it may appear as a zone of one to five cm wide quartz veinlets with a lattice bladed texture, with azimuth of 320 degrees, dip of 80 degrees northeast and width of up to two metres.

To date, 36 samples have been taken on El Capulin, with the highest value being 6.27 g/t Au and 99 g/t Ag and the lowest being 0.117 g/t Au. To date, the assay results are more consistent than in the Dos de Mayo vein, probably due to its crystalline rather than brecciated texture. A notable point about this structure is that it is located at an elevation of 1,640 to 1,680 masl (metres above sea level) in the SE segment and up to 1,720 masl in the northwest segment, a vertical distance of up to 80 metres. If mineralization extends downward to the 1,500 masl level seen at Dos de Mayo then there is considerable potential to discover additional mineralization.

Underground mapping and sampling is continuing at the historic La Dura mine to the northwest of Pinos Cuates, and any mineralization here would effectively extend the strike length of the Dos de Mayo vein for another 150 metres, for a total strike length of approximately 500 metres. Mapping of limited outcrop has traced the vein for a strike length of 1,600 metres to date.

QA/QC (quality assurance/quality control)
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 metre. 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 prenumbered 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 kilograms. 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 per cent less than two millimetres, riffle split off 250 g, pulverized split to greater than 85 per cent passing 75 micrometres. All samples were analyzed for gold using code GA_FAA30V5 with a fire assay determination on 30 g samples with an atomic absorption spectography finish. An ICP-OES analysis package (inductively coupled plasma-optical emission spectrometry) including 33 elements and four-acid digestion was performed (code GE_ICP40Q12) to determine Ag (silver), Zn (zinc), Pb (lead), Cu (copper) and other elements.

On October 28, 2025, the Company announced positive results from the preliminary scoping metallurgical tests for the high-grade El Potrero gold-silver project in Durango, Mexico including excellent gold recoveries up to 96.79% and averaging 95.09%.

Highlights:

- Three samples from the mineralized zone within the Pinos Cuates underground mine were sent to the SGS Lab in Durango, Mexico for grinding, bottle roll cyanide leach and gravity tests.
- Initial grind calibration tests in a ball milling application achieved a target grind of 80% passing 270 mesh (53 micron) particle size.
- Bottle roll cyanide leach tests resulted in consistently high gold recoveries of 92.81%, 95.68% and 96.79%, averaging 95.09% . Silver recoveries were lower and more variable, at 41.41%, 73.53% and 49.11%, with an average of 54.68%, indicating the presence of a more complex mineralogy and a need for further test work such as extended leach times.
- Average unoptimized reagent consumption was 0.71 kg/t NaCN and 1.62 kg/t CaO, both within expected ranges for a preliminary test.
- Initial gravity tests utilising a Knelson concentrator and Mozley table resulted in variable recoveries ranging from 29.1% to 76.38% for gold and 3.98% to 15.91% for silver.

The Pinos Cuates mine is the central mine of the three historic workings on the Dos de Mayo low sulphidation epithermal vein system at El Potrero. The three metallurgical samples were taken from the raise and upper level of the mine, based upon the results of previous channel sampling. Each sample weighed approximately 25 kg. Samples were fire assayed with AAS finish for gold and silver, in duplicate, and analysed for 32 elements by 4-acid digestion and ICP finish. The latter confirmed that there are negligible amounts of copper, lead, zinc, arsenic, mercury or any other deleterious elements present. Some variation between gold analyses of the channel samples versus the metallurgical samples suggests the presence of a nugget effect, likely due to fine free gold, as silver analyses were comparable. A comparison of the two sets of analyses can be seen in the table below:

Channel sample	MET sample	Au g/t	Ag g/t
EPUG25097		2.91	108
	EPMET25001	6.20	99
EPUG25136		13.00	56
	EPMET25002	5.10	52
EPUG25421		34.60	228
	EPMET25003	17.30	210

Prior to the bottle leaching tests, a grinding calibration was carried out for each sample using a ball mill in order to achieve the target particle size for the leaching and gravity concentration tests, which was 80% passing 270 mesh (53 microns). This information will be used in future tests on hardness and work index. A bottle roll test was carried out for each sample, separately from the gravity test, in order to evaluate the gold and silver extraction response for each method. The bottle roll test was performed in a 2-gallon Nalgene bottle, using 1,000 g of sample, with a retention time of 72 hours. Monitoring was conducted at intervals of 12, 24, 48, and 72 hours to collect solution samples and evaluate the gold and silver extraction kinetics. Additionally, sodium cyanide and lime consumptions were determined.

Dissolution kinetics showed rapid recoveries of 79-92% for gold after only 24 hours, increasing gradually to their ultimate levels of 92.81%, 95.68% and 96.79%, averaging 95.09%, after 72 hours. Silver recoveries increased more gradually towards 41.41%, 73.53% and 49.11%, with an average of 54.68%, after 72 hours. It is considered that a longer leach time could improve the silver recoveries.

Sodium cyanide (NaCN) consumption ranged from 0.49 to 0.94 kg/t, while lime (CaO) consumption ranged from 0.93 to 2.03 kg/t, both within expected ranges for unoptimized tests.

According to the SGS report, “Gravity concentration using the Knelson concentrator is based on the separation of mineral particles according to their density differences, applying centrifugal force. This equipment concentrates the heavy minerals (such as free gold or high-density sulfides) into a small volume of concentrate, while the lighter material is discharged as tailings.

The concentrate obtained from the Knelson is subsequently subjected to cleaning on a Mozley table, which allows for a finer and more selective separation. This stage improves the purity of the final concentrate by removing gangue minerals and obtaining a fraction richer in valuable minerals.

For metallurgical balance purposes, the sum of the Knelson concentrate and the Mozley ‘middlings’ is necessary, since both products belong to the same gravity concentration stream and contain a significant portion of the recovered metallic values. Combining these products provides a more accurate representation of the total recovery attributable to the gravity circuit, preventing underestimation of the metallic content in the overall balance.

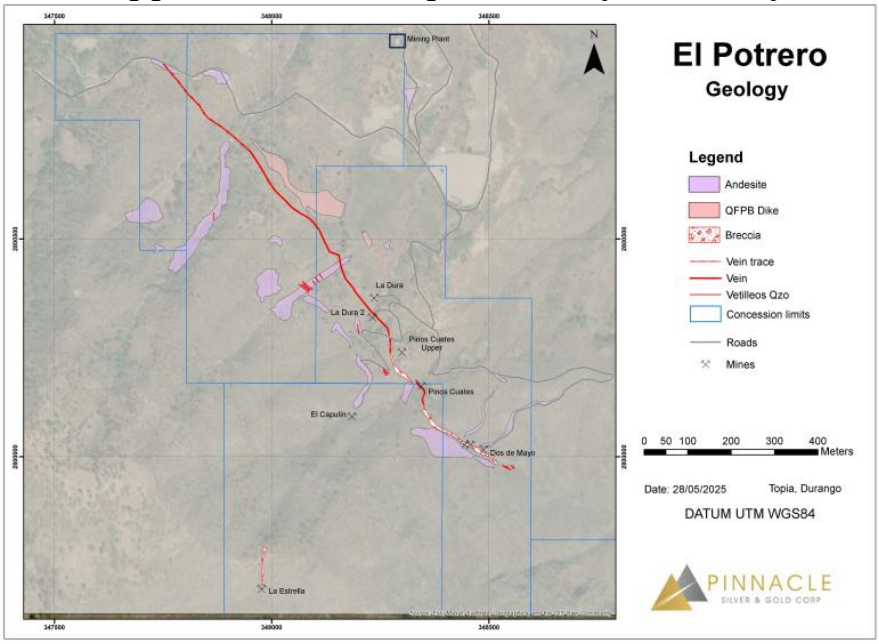
Approximately 20 kg of each sample with a particle size of 53 microns was used for the gravity tests. Gold recoveries were somewhat variable, yielding 29.10%, 33.02% and 76.38%, whereas silver was a little more consistent, albeit lower, with recoveries of 3.98%, 7.77% and 15.31%. As gold is heavier than silver, it is normal for gold to yield higher recoveries in a gravity circuit. The particularly high gold recoveries of

76.38% in one sample is likely due to the presence of a higher percentage of free gold. It is worth noting that this sample also had the highest head assay of 17.2 g/t Au and the highest recovery from leaching of 96.79%.

In subsequent metallurgical work, gravity and leaching tests will likely be conducted in series, with the high-grade gravity concentrate being removed and the tails being leached. While it is normal for higher grade material to yield higher recoveries, it is also considered that a finer grind and extended leach times may improve recoveries at the lower end. These along with other optimized process details will be addressed in the next testing stage.

On November 12, 2025, the Company provided sampling results from the historic La Dura mine at the high-grade El Potrero gold-silver project in Durango, Mexico. The identification of another zone of gold-silver extends the mineralized strike length along the Dos de Mayo vein structure to almost 500 metres, with significant gaps between the three principal mines that will have to be drill-tested, thereby increasing the potential. The Dos de Mayo vein has never been previously drilled.
The La Dura mine consists of a main adit that follows the vein for approximately 60 metres along strike to the northwest of the portal and two smaller adits about 10 metres above and to the southeast of the main adit. These two smaller adits, one of which is consistently mineralized, are collectively called La Dura 2. There has been less underground development at La Dura than at either of the Pinos Cuates or Dos de Mayo mines and channel sampling comprises only 146 of the 722 samples taken underground to date on the project. Of those 146 samples, 40 were taken from the two small adits. The mineralized zone identified was sampled by six composite channels along an exposed 12 metre strike length, and has an average width of 1.3 metres and average grades of 1.98 g/t Au and 98 g/t Ag, with individual grades up to 4.51 g/t Au and 269 g/t Ag over 0.5 metres. Very fine visible gold was observed in places. Given that only 12 metres of the mineralized zone is exposed, there is significant potential to expand this with additional mine development and drilling.

There is approximately 150 metres between La Dura and the Pinos Cuates mine, where Pinnacle sampling returned up to 85 g/t Au and 520 g/t Ag over 0.5 metres, that will be drill tested for additional mineralized zones. There also remains approximately 120 metres of untested strike potential between Pinos Cuates and the Dos de Mayo mine to the southwest plus more than 1,000 metres to the northwest of La Dura. All of this is being groomed for drill-testing once surface permits are in place.



Surface and underground mapping and sampling is now focused on a north-south trending vein called La Estrella, approximately 500 metres to the southwest of the Dos de Mayo trend and at least 100 metres along strike (see map above). It is presently unclear as to the reason for, or significance of, the north-south trend compared to the northwest-southeast Dos de Mayo trend. The intersection of two structural trends is often the locus of significant mineralization in these types of vein systems.

On November 24, 2025, the Company flown an airborne lidar survey over the property. Lidar, or light detection and ranging, is a remote sensing technology that uses laser light to see through vegetation and soil cover to measure distances, with 15- to 30-centimetre-scale accuracy, to underlying rock surfaces. In this way, it can map out features such as structures and lithological contacts that can be related to mineralization but may not be exposed at surface. The survey also included colour aerial photography with 10- to 15-centimetre resolution that will assist in surface exploration and planning of infrastructure upgrades.

On January 6, 2026, the Company released results of lidar survey. The airborne lidar confirmed known structural trends, outlined previously unknown structures, and identified a total of 64 adits, six shafts and 51 prospecting pits on the two claim blocks comprising the project.

On the northern, or El Potrero, claim block, the majority of the three shafts, 50 adits and 29 pits clearly outline the known trace of the Dos de Mayo vein system and the more limited exposures of the El Capulin and La Estrella veins. However, the lidar also indicates the potential for an extension to this system to the southeast, across the river valley, where it would be hosted in similar andesitic rocks. In addition, there appears to be a previously unknown northeast-southwest trend on the southeast side of the valley, also in andesites, while similar northeast-southwest trends are observed in the southwest section, presumably hosted by intrusive rocks according to government regional geology maps. This latter scenario could give rise to a different, intrusive-related style of mineralization. Regionally, northeast-trending structures predate the northwesterly trend and are host to the Ag-Pb-Zn-Au (silver-lead-zinc-gold) veins of the Topia mine, 13 kilometres to the southwest.

On the separate Maria Fernanda 2 (MF2) claim block to the southwest, three shafts, 14 adits and 22 pits are somewhat scattered across the concession. While this area has never been explored by modern methods, government maps indicate a northwest-southeast trending structure passing through the middle of the block, parallel to the Dos de Mayo system and to the regional structural trend. The lidar also indicates a number of smaller structures perpendicular to this trend. The road from Topia passes through the middle of the block and road cuts locally display intense argillic alteration and pervasive chloritization with minor pyrite that, collectively, may be indicative of a buried hydrothermal system. Several of the pits interpreted from the lidar appear to lie in close proximity to this zone.

On January 20, 2026, the Company confirmed the presence of strong gold-silver mineralization in that vein. The limited mine workings are 42.5 metres long and channel sampling identified two mineralized zones yielding 5.49 grams per tonne Au (gold) and 48 g/t Ag (silver) over an average width of 0.72 metre and strike length of 12 metres, and 1.87 g/t Au and 51 g/t Ag over an average width of 1.1 metres and a strike length of 22.5 metres. The two zones are separated by 18 metres of lower-grade material in the adit but could coalesce below this. Individual samples assayed up to 17.7 g/t Au and 24 g/t Ag over 0.5 metre, 8.77 g/t Au and 32 g/t Ag over 0.5 metre, and 3.51 g/t Au and 196 g/t Ag over 0.8 metre. On surface, the vein has been traced for almost 150 metres along strike and is still open in both directions, reaching a width of 6.0 metres at the northern end of the exposure. Systematic channel sampling will be conducted in the coming weeks as, to date, grades from surface sampling reached 3.35 g/t Au and 204 g/t Ag.

Following up on the underground channel sampling at the historic La Dura 2 mine workings that returned 1.98 g/t Au and 98 g/t Ag along a 12-metre strike length (see Pinnacle news release of Nov. 12, 2025), surface sampling of the vein has extended the gold-silver mineralization along strike such that the zone can now be followed for approximately 45 metres. Within the seven vein samples taken on surface, assays included 6.89 g/t Au and 208 g/t Ag over 1.4 metres, 5.95 g/t Au and 185 g/t Ag over 1.0 metres, 5.75 g/t Au and 230 g/t Ag over 0.7 metres, and 3.39 g/t Au and 248 g/t Ag over 1.3 metres. This additional information will aid in delineation drilling of La Dura once the surface program begins.

Similarly, the identification of significantly higher-grade gold-silver mineralization in outcrop at La Dura 2 has more than tripled the known strike length of this mineralized zone. Given the limited extent and orientation of the underground workings here, this zone will be drilled from surface as soon as possible." The general strike of the Estrella vein is north-south with an inclination of 70 degrees to 80 degrees to the east, but in the north it bends to a northeast strike toward the Capulin and Dos de Mayo veins.

It is presently unclear as to the reason for, or significance of, the north-south trend compared with the northwest-southeast Dos de Mayo trend. Projecting the Estrella vein along strike to the north would intersect the Dos de Mayo structure just northwest of La Dura and extend the Estrella structure for about 600 to 800 metres. The intersection of two structural trends is often the locus of significant mineralization in these types of vein systems.

Sixty-two underground channel samples were taken in 16 composites, at approximately three-metre spacing, over the 42.5-metre length of the historic Estrella mine workings. Gold assays ranged from 0.02 to 17.7 g/t with 22 samples (35 per cent) assaying more than 1.0 g/t Au. Silver assays ranged from two to 196 g/t with 17 samples (27 per cent) assaying more than 31 g/t (one troy ounce per ton) Ag. On surface, nine samples were taken over the 150-metre strike length of the Estrella vein exposure. Gold assays ranged from 0.008 to 3.35 g/t and silver assays ranged from two to 204 g/t.

QA/QC (quality assurance/quality control)

The technical results contained in this news release have been reported in accordance with National Instrument 43-101 -- Standards of Disclosure for Mineral Projects. 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 metre. 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 kilograms. 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 per cent less than two millimetres, riffle split off 250 g, pulverized split to greater than 85 per cent passing 75 micrometres. All samples were analyzed for gold using code GA_FAA30V5 with a fire assay determination on 30-gram samples with an atomic absorption spectography finish. An ICP-OES analysis package (inductively coupled plasma -- optical emission spectrometry) including 33 elements and four-acid digestion was performed (code GE_ICP40Q12) to determine Ag (silver), Zn (zinc), Pb (lead), Cu (copper) and other elements.

On February 26, 2026, the Company began El Potrero underground rehabilitation.

On March 17, 2026, the Company announced that it discovered previously unknown silver-lead-zinc (Ag-Pb-Zn) mineralization on the southern block of the project. The discovery was made during the first few weeks of a mapping and prospecting program designed to follow up on shafts, adits and prospecting pits interpreted from the airborne lidar (light detection and ranging) survey recently completed over the property.

The lidar survey was flown over the entire 1,074-hectare property and confirmed known structural trends, outlined previously unknown structures, and identified a total of six shafts, 64 adits and 51 prospecting pits on the two claim blocks comprising the project. Follow-up fieldwork began in early February on the southern Maria Fernanda 2 (MF2) claim block, where three shafts, 14 adits and 22 pits were interpreted across the concession.

On the first pass of follow-up work, several outcrops with silver-lead-zinc sulphides in silicified breccia veins hosted by porphyritic andesite were observed and sampled. Individual assays up to 266 grams per tonne (g/t) silver, 4.39 per cent lead and 2.89 per cent zinc (see the attached table) were obtained from channel samples up to 0.9 metre (m) in length.

Table 1: Highlights of channel sampling on new polymetallic veins at El Potrero

Sample No.	Width (m)	Au g/t	Ag g/t	Pb %	Zn %
EPPR26015	0.95	0.151	26	0.55	1.51
EPPR26018	0.6	0.209	31	0.72	**2.58**
EPPR26021	0.45	0.223	33	**1.64**	**2.89**
EPPR26022	0.65	0.222	41	0.41	1.24
EPPR26023	0.3	0.101	71	**2.39**	**2.04**
EPPR26030	0.3	0.015	**266**	**4.39**	0.13
EPPR26032	0.35	0.109	91	2.32	0.07
EPPR26033	0.45	0.524	**111**	1.67	0.09
EPPR26035	0.65	0.073	57	1.21	0.14

The porphyritic andesite hosting the breccia veins is locally chloritized and pyrite is a common accessory mineral. A rhyolitic tuff/breccia overlies the andesite and typically exhibits strong argillic alteration, suggesting that the mineralized veins could extend underneath the rhyolite cover rocks. The rhyolite is believed to be one of, if not the uppermost, lithological units of the lower volcanic series, the most common host to precious and base metal mineralization in the Sierra Madre belt of western Mexico.

The newly discovered polymetallic veins have a northeasterly trend as opposed to the dominantly northwesterly trend of the gold-silver veins in the northern part of the Potrero property. The veins appear to extend for at least 650 metres along strike and additional samples have been submitted to SGS Labs in Durango for assaying. Artisanal workings lie approximately 150 metres to the west and have yet to be sampled. In a regional context, the Ag-Pb-Zn veins at the Topia mine, just four kilometres (km) away, are also northeast-trending (considered to be older than the northwest-trending gold mineralization) and it is possible that these new veins represent an extension of the Topia district mineralization.

Follow-up mapping, sampling and prospecting are continuing on the MF2 block and are being initiated on the unexplored part of the northern El Potrero block, where artisanal workings have been interpreted from the lidar survey.
On April 20, 2026, the Company announced that continued ground follow up on shafts, adits and prospecting pits interpreted from the recent airborne LiDAR survey on the Potrero project in Durango, Mexico has resulted in further discoveries of polymetallic mineralization. Prospecting on the northern El Potrero claim block has resulted in the discovery of silver-rich veins, with assays up to 1,159 g/t Ag, while on the Maria Fernanda 2 ("MF2") concession, continued field work has extended the previously announced silver-lead-zinc (Ag-Pb-Zn) mineralization along strike.

HIGHLIGHTS

- Ground follow up of the recent airborne LiDAR survey on the Potrero Project has resulted in the discovery of new zones of polymetallic mineralization, enhancing the district scale potential of the project
- On the northern El Potrero claim group, a new series of adits on northeast-trending vein structures, dubbed the "Minas Nuevas", returned assays up to 0.252 g/t Au, 1,159 g/t Ag, 4.72% Pb and 0.10% Zn over 0.35m
- On the MF2 block, the "Paulina Breccia" zone has been traced for approximately 400 metres to the northeast with 0.217 g/t Au, 47 g/t Ag, 0.65% Pb and 0.71% Zn over 0.40 m and 0.232 g/t Au, 50 g/t Ag, 0.48% Pb and 0.77% Zn over 0.60 m.
- Also on the MF2 block and approximately 650 metres along strike to the southwest from the Paulina Breccia, an artisanal mine called "Las Guasimas" has yielded assays up to 3.21 g/t Au, 349 g/t Ag, 3.49% Pb and 5.30% Zn from dump grabs
- Collectively, the Paulina Breccia and Guasimas mine extend the apparent strike length of the vein system on MF2 to approximately 1,100 metres

The LiDAR survey was flown over the entire 1,074 hectare property and confirmed known structural trends, outlined previously unknown structures, and identified a total of 6 shafts, 64 adits and 51 prospecting pits on the two claim blocks comprising the project (Figure 1). On the first pass of follow up work on the southern MF2 concession, several outcrops with silver-lead-zinc sulphides in silicified breccia veins returned individual assays up to 266 g/t silver, 4.39% lead and 2.89% zinc from channel samples up to 0.9 metres in length.

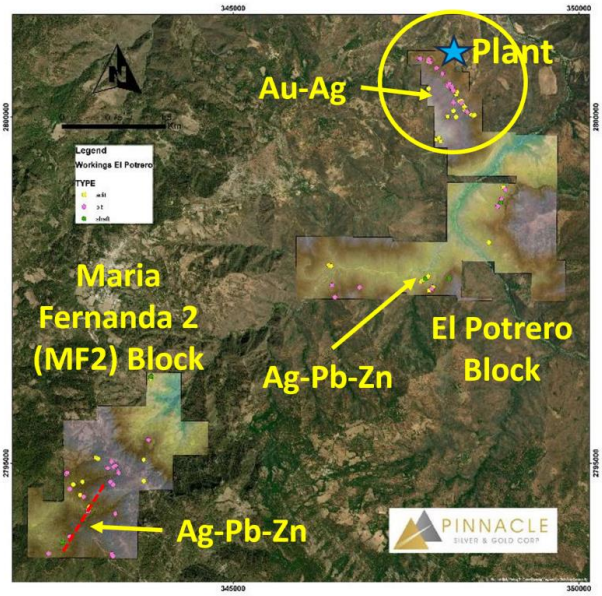


Figure 1: El Potrero Project Showing Two Claim Blocks and Artisanal Workings Interpreted from LiDAR Survey

Continued follow up field work has now revealed a larger system with multiple polymetallic veins on both claim blocks. On the northern El Potrero block, where the historic gold-silver mines and plant are located, a series of adits have been discovered on structures trending 030-040° and dipping 75-80° SE. Located in the south-central part of the block, approximately 3.5 kilometres south-southwest of the plant, these artisanal mine workings, named "Minas Nuevas", host several structures with disseminated to semi-massive pyrite, galena, sphalerite, arsenopyrite and quartz veinlets. The high sulphide content, comparative lack of quartz and elevation of 1,350 metres above sea level ("masl") compared to 2,200 masl at MF2, suggest that they may represent a lower level of the hydrothermal system. Preliminary sampling also indicates that the veins here are Ag-Pb dominant, with assays up to 1,159 g/t Ag and 4.72% over 0.35 metres.

Table 1: Highlights of channel sampling on Minas Nuevas polymetallic veins at El Potrero

Sample No.	Width (m)	Au g/t	Ag g/t	Pb %	Zn %
EPPR26094	0.30	0.038	**240**	**4.74**	0.17
EPPR26096	0.35	0.252	**1,159**	**4.72**	0.10
EPPR26098	0.25	0.064	**334**	0.33	0.20
EPPR26103	0.30	0.153	**613**	0.12	0.14

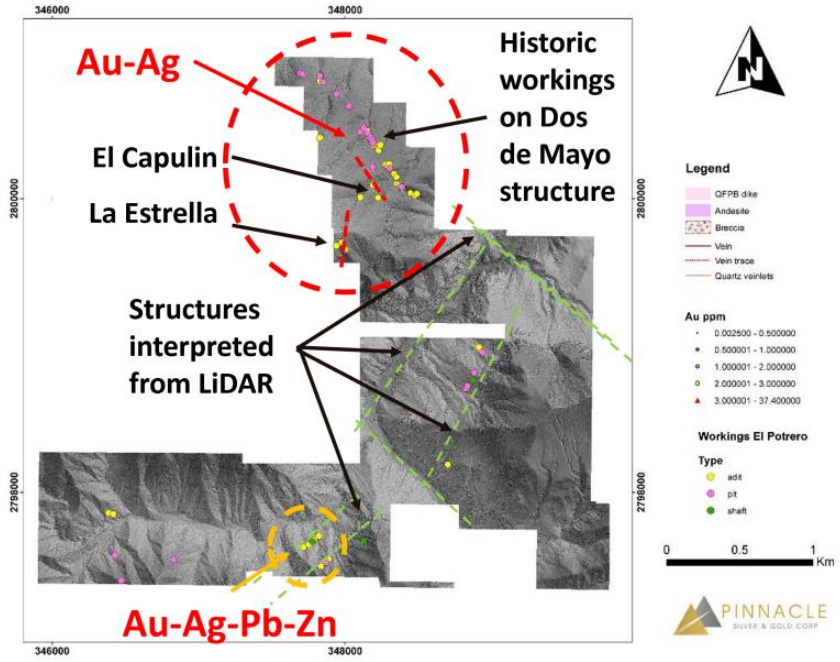


Figure 2: Potrero Block Showing LiDAR with Artisanal Workings and New Ag-Pb-Zn Discovery at Minas Nuevas

On the MF2 concession to the southwest, the "Paulina Breccia" zone with pyrite-sphalerite-galena mineralization has been extended approximately 400 metres along strike to the northeast from the initial discovery. Highlighted by 0.217 g/t Au, 47 g/t Ag, 0.65% Pb and 0.71% Zn over 0.40 m and 0.232 g/t Au, 50 g/t Ag, 0.48% Pb and 0.77% Zn over 0.60 m in the first-pass sampling, this tenor of mineralization was fairly consistent along strike.

Also on the MF2 block, an artisanal mine, called "Las Guasimas", has yielded assays up to 3.21 g/t Au, 349 g/t Ag, 3.49% Pb and 5.30% Zn in grab samples from mine dumps and 0.02 g/t Au, 117 g/t Ag , 0.55%

Pb and 0.15% Zn from a 0.60 m channel sample at the opening to the mine. Some cleaning and rehabilitation of the old workings will be necessary before a proper underground sampling program can be undertaken.

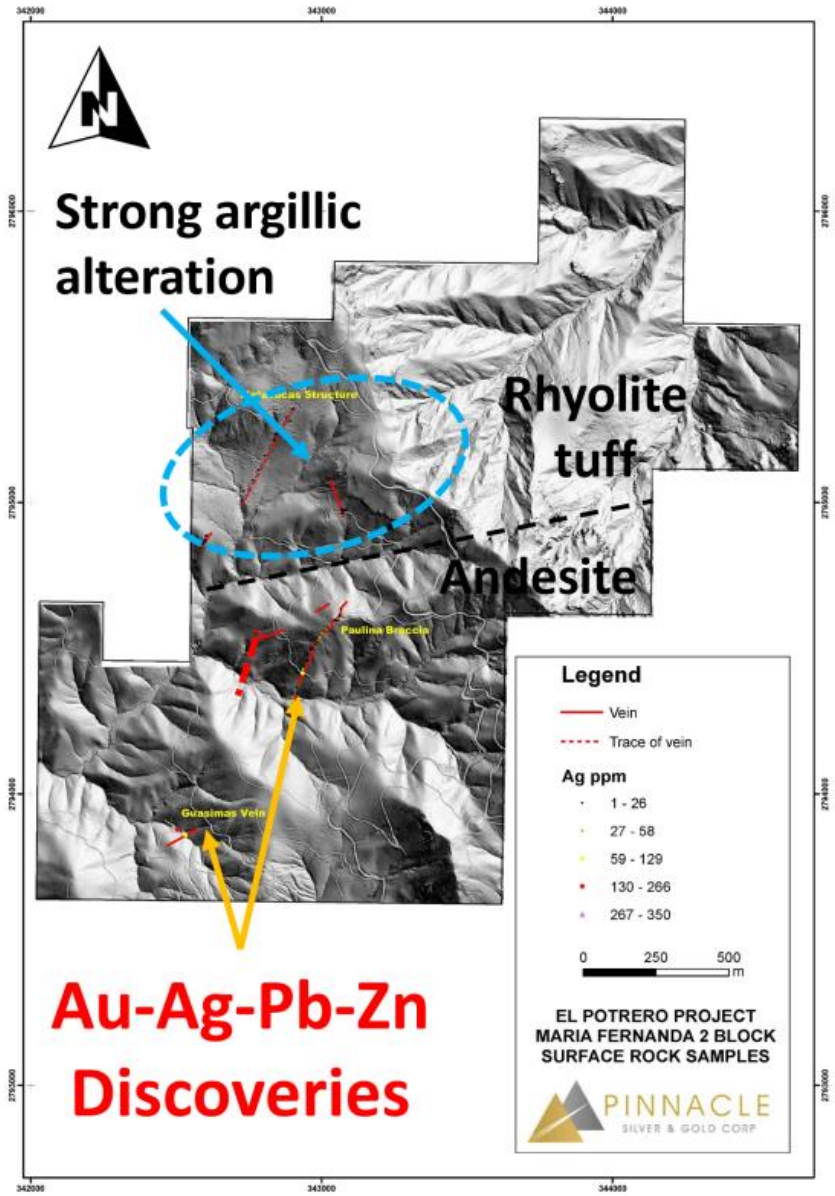


Figure 3: MF2 Block Showing LiDAR with Artisanal Workings, New Ag-Pb-Zn Discoveries & Alteration

As Las Guasimas and the Paulina Breccia zone appear to be along strike from each other, this potentially extends the length of the vein system for approximately 1,100 metres. Furthermore, preliminary mapping and prospecting indicate that other parallel veins exist, and this system is 6.5 kilometres from the Minas Nuevas zone on the Potrero block, indicating a truly district scale mineralizing system.

Table 2: Highlights of channel sampling on Paulina Breccia and Las Guasimas veins, MF2 block

Sample No.	Zone	Width (m)	Au g/t	Ag g/t	Pb %	Zn %
EPPR26050	Paulina Bx	0.40	0.217	47	0.65	0.71
EPPR26052	Paulina Bx	0.60	0.232	50	0.48	0.77
EPPR26105	Guasimas	Grab	0.047	**226**	**2.05**	**4.66**
EPPR26106	Guasimas	Grab	**3.210**	**349**	**3.49**	**5.30**
EPPR26107	Guasimas	0.60	0.019	**117**	0.55	0.15
EPPR26108	Guasimas	0.50	0.138	58	0.50	0.13

The newly discovered polymetallic veins have a northeasterly trend as opposed to the dominantly northwesterly trend of the gold-silver veins in the northern part of the Potrero property. Follow-up mapping, sampling and prospecting is continuing on both the MF2 and El Potrero blocks and additional samples continue to be submitted to SGS Labs in Durango for assaying.

Eight channel samples were taken at Minas Nuevas, two at Las Guasimas (plus the two 'dump grabs') and 33 on the Paulina Breccia, sampling both vein and wall rock material. Wall rock is unmineralized.

On June 2, 2026, the Company provided more positive results from the second round of scoping metallurgical tests for the high-grade El Potrero gold-silver project in Durango, Mexico. This second round of tests was broader in scope, including seven samples compared to three in the first round, and encompassed all three historic mines on the Dos de Mayo vein rather than just the Pinos Cuates mine, as well as the Estrella and Capulin veins.

Of particular note, bottle roll leach tests for the Dos de Mayo vein continued to return consistently high gold recoveries, averaging 97.8%, while gold recoveries of 97.6% and 97.4% were obtained for the Estrella and Capulin veins, respectively. Silver continues to be more variable due to a more complex mineralogy; however, recoveries increased to an average of 70.02% for Dos de Mayo, 64.7% for La Estrella and 80.5% for El Capulin.

Highlights:

- Seven mineralized samples were sent to the SGS Lab in Durango, Mexico for a second round of metallurgical testing, including five samples from the three historic mines on the Dos de Mayo vein, one from the Estrella vein and one from the Capulin vein.
- Head assays from the seven samples averaged 7.7 grams per tonne gold (g/t Au) and 116 g/t silver (Ag), implying a robust grade for future mill feed.
- Seven corresponding sub-samples were sent to the SGS lab in Santiago, Chile for TIMA-X mineralogical analyses. Gold in the form of electrum, a natural Au-Ag alloy, was detected in all seven samples. In addition to the electrum, silver was also detected in all seven samples as corresponding to the common silver sulphides argentite/acanthite (Ag S) and a less common silver selenium sulphide aguilarite (Ag SeS).
- All gold grains in the sub-samples were consistently under 50 microns in size and silver was under 80 microns, giving a guideline as to the grind size necessary for processing. Due to the consistent grain size, variability in grades appears to show a better correlation with the number of grains detected in any given sample rather than the coarseness or type of mineral present.

- The five samples from the Dos de Mayo vein were composited for grinding tests, gravity separation, and bottle roll leaching. However, the gravity tests did not improve the overall recoveries of gold and silver.
- Initial grind calibration tests in a ball milling application achieved a target grind of 80% passing 270 mesh (61-63 micron particle size for the 3 samples). The Bond Work Index (BWi) of 18.1 kWh/t is considered average for the three samples.
- The five-sample composite from the bottle roll cyanide leach tests (without prior gravity separation), ground to 53 microns, resulted in a gold recovery of 97.83%, and a silver recovery of 70.02%. The same composite, ground to only 75 microns, resulted in gold and silver recoveries of 96.79% and 66.38%, respectively. Recoveries from La Estrella and El Capulin returned 97.6% and 97.4% for gold, respectively , while silver recoveries were more variable, at 64.7% and 80.5%, respectively, reflecting the more complex silver mineralogy
- Average unoptimized reagent consumption was 1.46 kg/t NaCN and 0.70 kg/t CaO for the Dos de Mayo composite, 0.79 kg/t NaCN and 0.60 kg/t CaO for La Estrella, and 1.09 kg/t NaCN and 0.60 kg/t CaO for El Capulin, all within expected ranges for a preliminary test.

Two samples were taken from each of the Dos de Mayo and Pinos Cuates mines, and one from La Dura mine, the three historic workings on the Dos de Mayo low sulphidation epithermal vein system at El Potrero. After completing individual head assays and taking sub-samples for mineralogical analyses, the five samples from the three Dos de Mayo mines were combined into a single composite that was then assayed and used for subsequent test work. All initial samples weighed approximately 25 kg. Samples were fire assayed with AAS finish for gold and silver, in duplicate, and analysed for 32 elements by 4-acid digestion and ICP finish. As in the Phase I metallurgical testing and all of the channel samples assayed to date, the ICP analyses confirmed that there are negligible amounts of copper, lead, zinc, arsenic, mercury or any other deleterious elements present. A summary of head assays can be seen in the table below.

The TIMA-X mineralogical analyses utilised a state-of-the-art scanning electron microscope and demonstrated that all of the gold grains in the samples are consistently less than 50 microns in size and all of the silver particles are less than 80 microns, providing a guideline as to the grind size necessary for the liberation of gold and silver. Consequently, gold and silver grades appear to be a function of the number of particles containing gold and silver (Table 1), rather than larger coarse ‘nuggets’ as is common in vein-type deposits, although it is still not a one-to-one correlation. Individual sample grades displayed a range of 1.4 to 23.3 g/t Au and 22 to 303 g/t Ag. The TIMA-X analyses also showed that all of the gold detected in the sub-samples is present in the form of electrum, a natural gold-silver alloy, although visible free gold has been observed in the field. In the TIMA-X samples, silver was also found to occur in the form of the silver sulphides argentite/acanthite (Ag 2 S) and the silver selenium sulphide aguilarite (Ag 4 SeS). Interestingly, aguilarite was first discovered in Guanajuato, Mexico in the late 19 th century.

Sample No.	Vein	Mine	Au (g/t)	Ag (g/t)	No. of Particles with Gold Grains	No. of Particles with Silver Grains
EPMET26001	Dos de Mayo	Dos de Mayo	9.50	58	3	48
EPMET26002	Dos de Mayo	Dos de Mayo	23.30	303	42	432
EPMET26003	Dos de Mayo	Pinos Cuates	2.80	22	1	27
EPMET26004	Dos de Mayo	Pinos Cuates	5.10	83	3	113
EPMET26005	Dos de Mayo	La Dura	1.40	102	1	46
Composite of EPMET26001-5	Dos de Mayo		7.70	116		
EPMET26006	La Estrella		6.60	169	2	177
EPMET26007	El Capulin		4.90	91	2	106

Table 1: Head grades and grain counts for the seven samples tested

Prior to the bottle roll leaching tests, a grinding calibration was carried out for each of the three samples (the 5-sample composite, La Estrella and El Capulin) using a ball mill in order to achieve the target particle size for the leaching and gravity concentration tests, which was 80% passing 270 mesh. The initial particle size ranged from 61-63 microns, but finer grinding, to 53 microns, resulted in slightly better gold and silver recoveries.

A bottle roll test was carried out for each sample, separate from the gravity test, to evaluate the gold and silver extraction response for each method. The bottle roll test was performed in a 2-gallon Nalgene bottle, using 1,000 g of sample, with the retention time increased to 96 hours (from the previous 72 hours in the Phase I tests). Monitoring was conducted at intervals of 12, 24, 48, 72 and 96 hours to collect solution samples and evaluate the gold and silver extraction kinetics. Additionally, sodium cyanide and lime consumptions were determined.

Dissolution kinetics for the three samples, at a 75 micron grind size, showed rapid recoveries of 90-92% for gold after only 24 hours, increasing gradually to their ultimate levels of 96.6%, 97.6% and 97.4% after 96 hours. At a 53 micron grind size, the gold recovery from the composite sample initially increased at a slightly lower rate but ultimately reached 97.8% after 96 hours.

Silver recoveries for the three samples, at a 75 micron grind size, increased more gradually towards 65.7%, 64.7% and 80.5% after 96 hours, while, at 53 microns, silver recovery from the composite sample reached 71.7% after 96 hours. Although a longer leach time (from 72 to 96 hours) improved the silver recoveries in two of the three samples, there is very little improvement in gold recovery after 48 hours. As such, a cost-benefit analysis will be conducted to determine if the extra silver recovered justifies the cost of the additional leach time.

Sodium cyanide (NaCN) consumption for the three samples ranged from 0.79 to 1.46 kg/t, averaging 1.11 kg/t, at a 75 micron grind size. Lime (CaO) consumption ranged from 0.60 to 0.70 kg/t, and averaged 0.63 kg/t. At a 53 micron grind size, the composite sample had a slightly lower NaCN consumption of 1.24 kg/t but CaO was slightly higher at 0.80 kg/t. All figures are within expected ranges.

According to the SGS report, “Gravity concentration using the Knelson concentrator is based on the separation of mineral particles according to their density differences, applying centrifugal force. This equipment concentrates the heavy minerals (such as free gold or high-density sulfides) into a small volume of concentrate, while the lighter material is discharged as tailings.
The concentrate obtained from the Knelson is subsequently subjected to cleaning on a Mozley table, which allows for a finer and more selective separation. This stage improves the purity of the final concentrate by removing gangue minerals and obtaining a fraction richer in valuable minerals.

For metallurgical balance purposes, the sum of the Knelson concentrate and the Mozley ‘middlings’ is necessary, since both products belong to the same gravity concentration stream and contain a significant portion of the recovered metallic values. Combining these products provides a more accurate representation of the total recovery attributable to the gravity circuit, preventing underestimation of the metallic content in the overall balance.”

Approximately 20 kg of the composite sample with particle sizes of 53 and 75 microns was used for the gravity tests and results compared to straight leaching of a one kilogram sample of each grind size.

The SGS report concludes that the “results indicate that both grind sizes presented high gold recoveries through direct leaching, achieving recoveries of 97.83% Au and 70.02% Ag at 53 microns, and 96.79% Au and 66.38% Ag at 75 microns. This suggests that the ore exhibits an excellent response to cyanidation, particularly for gold.

On the other hand, the incorporation of a gravity concentration stage prior to leaching resulted in a slight decrease in overall gold recovery and a more significant decrease in silver recovery for both grind sizes. At 53 microns, the gravity-leaching circuit achieved overall recoveries of 96.34% Au and 57.37% Ag, while at 75 microns overall recoveries of 95.53% Au and 58.49% Ag were obtained.

The results show that the gravity stage did not provide a significant improvement in overall gold recovery compared to direct leaching, while a penalty in silver recovery was observed. Overall, direct leaching showed the best global metallurgical performance, especially for silver recovery.”

Test work is continuing, with the current focus on solid-liquid separation to guide the filtration process for the impoundment of dry-stack tailings into a lined containment facility, whereby any excess water will be recovered and recycled into the plant. Results will be released in due course.

On August 4, 2026, the Company provided update on rehabilitation and drill station preparation in the historic underground mines on the high-grade El Potrero gold-silver property in Durango, Mexico, previously inaccessible mine workings were opened up and cleaned for systematic channel sampling, resulting in the detection of significant gold-silver mineralization.

The newly accessible workings, collectively called Dos de Mayo Norte, extend approximately 93 metres along the northwest strike of the Dos de Mayo vein, 35 metres higher in elevation above the Dos de Mayo main level, and overlap the latter by approximately 25 metres. This area of overlap includes the raise from the Dos de Mayo main level, where the best mineralization was observed in previous channel sampling.

The Dos de Mayo Norte workings extend this mineralization up dip and along strike to the northwest, as evidenced by assays up to 10.76 grams per tonne gold and 215 grams per tonne silver over 1.3 metres, including 26.1 g/t Au and 511 g/t Ag over 0.50 metre, and 5.41 g/t Au and 230 g/t Ag over 0.80 metre in the South Raise. As such, the new sampling provides important information on the vertical continuity of mineralization between the Dos de Mayo main level at an elevation of 1,485 metres above sea level and the

surface at 1,570 metres above sea level. It is at surface in this area that the highest silver grades observed to date on the property (see Pinnacle's news release dated June 2, 2025), including 13.2 g/t Au and 2,280 g/t Ag over 0.30 metre and 9.9 g/t Au and 1,444 g/t Ag over 0.30 metre, were obtained from small trenches.

Only seven holes have been drilled at the Dos de Mayo vein to date and, for logistical reasons, those were close to the portal at the southeastern end of the workings rather than directly into the known mineralized zone. However, 45 holes have been drilled in the underground program, mostly at the adjacent Pinos Cuates mine, and core logging is revealing a multiphase system of breccia veins and faulting. With turnaround times at assay labs slowing down due to increased exploration activity in Mexico, insufficient results have been received to date to draw any firm conclusions, but Pinnacle geologists are interpreting results as they come in to build a better understanding of the controls on Au-Ag mineralization. As the drilling program progresses, the close-spaced nature of the holes will provide a better sense of the overall size, shape and grade of the mineralized zones.

Surface drilling is being planned to commence in September to October and will fill in gaps between the historic mines in addition to testing up and down dip and along strike to the northwest on the Dos de Mayo vein. Other mineralized veins such as El Capulin and La Estrella will also be drilled for the first time ever. The combined results will then be used to generate an internal resource estimate that will, in turn, be used to develop a preliminary mine plan.

The new results from Dos de Mayo Norte comprise 150 individual channel samples taken across the vein where it was exposed and adjacent wall rock, in composites where possible, at approximately five-metre intervals. Most samples were taken in the main adit -- 38 on the sublevel 10 metres above and 16 samples in the two raises connecting them.

The combined results from all sampling in this part of the Dos de Mayo vein have now outlined a subvertical shoot of gold-silver mineralization approximately 30 metres along strike and at least 85 metres in vertical extent. The areas between the various levels of the Dos de Mayo mine and from there to surface will be tested as part of the coming surface drill program.

Quality assurance/quality control

The technical results contained in this news release have been reported in accordance with National Instrument 43-101, Standards of Disclosure for Mineral Projects. 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.

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 metre. 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.

All samples were bagged in prenumbered 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 kilograms. 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 qualified person.

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 per cent less than two millimetres, riffle split off 250 grams and pulverized split to greater than 85 per cent passing 75 microns. All samples were analyzed for gold using code GA_FAA30V5 with a fire assay determination on 30-gram samples with an atomic absorption spectroscopy finish. An ICP-OES analysis package (inductively coupled plasma -- optical emission spectrometry) including 33 elements and four-acid digestion was performed (code GE_ICP40Q12) to determine silver, zinc, lead, copper and other elements.

North Birch, Canada

The North Birch Project, 110 km east of Red Lake, Ontario, consists of two contiguous properties, Western Fold and H Lake, that were optioned separately but now form one claim block that is 100% owned by the Company, subject to a 2% NSR.

The primary target at the North Birch Project is the sheared limb of a folded iron formation sequence, modeled after the Musselwhite Gold Mine, approximately 190 kilometres to the north and operated by Orla Mining. The 8-kilometre-long target horizon at North Birch is recessive and not exposed at surface but is interpreted from a prominent fold pattern in the airborne magnetics. The target horizon projects 2 kilometres along strike to the southeast into the Argosy Gold Mine, which closed in 1952 after producing 101,875 oz Au at 12.7 g/t Au (Ontario government archives). There are also multiple gold showings in the rocks to the south of the main target horizon and in iron formation elsewhere on the North Birch property, yet the main target horizon has not been previously drilled.

Argosy Gold Mine, Canada

The Argosy Gold Mine is the most significant past-producing gold mine in the Birch-Uchi Greenstone Belt, having produced 101,875 ounces of gold and 9,788 ounces of silver at a gold grade of 0.37 ounces per ton (12.7 grams per tonne) (Ontario Ministry of Northern Development and Mines archives). It closed in 1952 due to high operating costs and a $35/oz gold price. Production came from only four veins, although more than 12 are now known, and only to a maximum depth of 900 feet (270 metres). The property consists of 44 patented claims and 17 Mining Licenses of Occupation comprising 604 hectares. The property is subject to an underlying 2.5% NSR.

RESULTS OF OPERATIONS

Year Ended April 30, 2026

During the year ended April 30, 2026, the Company recorded a net loss of $2,976,297 (2025 –$833,054). Significant fluctuations include the following:

i) Consulting costs increased to $242,636 (2025 – $140,139) due to increased activity during the current year.

ii) Exploration expenditures, net increased to $1,256,306 (2025 – $132,691) due to an increase in exploration activities during the current year.

iii) Marketing services and shareholder information increased to $760,146 (2025 – $398,966) primarily as a result of the Company resuming marketing and investor relations activities and consultants during the current year.

iv) Professional and listing fees increased to $192,533 (2025 – $185,399) due to higher legal fees during the current year.

v) Share-based compensations increased to $288,520 (2025 – $81,402) due to options granted during the current year.

vi) Transfer agent and filing fees increased to $142,593 (2025 – $53,002) due to increased filings during the current year.

vii) Gain on recovery of exploration expenditures decreased to $Nil (2025 - $198,293) due to shares received during the comparative year from the sale of a Colombian subsidiary.

viii) Other income increased to $142,157 (2025 – $Nil) due to an IRS refund related to COVID received during the current year.

ix) Loss on marketable securities increased to $34,010 (2025 – gain of $97,536) due to sale and/or fluctuation in the fair value of the investment held by the Company during the current year.

Three Months Ended April 30, 2026

During the three months ended April 30, 2026, the Company recorded a net loss of $1,129,094 (2025 - $400,250). Significant fluctuations include the following:

i) Consulting fees increased to $242,636 (2025 – $62,981) due to increased activity during the current period.

ii) Exploration expenditures, net increased to $621,270 (2025 – $94,177) due to an increase in exploration activities during the current period.

iii) Marketing services and shareholder information increased to $211,568 (2025 – $134,343 primarily as a result of the Company resuming marketing and investor relations activities and consultants during the current period.

iv) Share-based compensations increased to $274,365 (2025 – $1,202) due to options granted during the period.

v) Transfer agent and filing fees increased to $51,660 (2025 – $27,398) due to higher fees related to OTCQB listing during the current period.

LIQUIDITY AND CAPITAL RESOURCES AND GOING CONCERN

Working capital at April 30, 2026 was $1,292,815 (2025 – deficiency of $250,126).

During the period from May 1, 2025 to August 25, 2026, the Company

i) issued 2,376,667 common shares at $0.06 per share at a value of $142,600 to settle accounts payable of $142,600 to related parties.

ii) closed a non-brokered private placement of 28,110,133 units at $0.06 per unit for gross proceeds of $1,686,608. 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 $0.10. The Company paid $20,622 in finders' fees and issued 343,700 share purchase finders warrants. Each finder's warrant entitles the holder to purchase one common share at a price of $0.10 for a two-year period.

iii) issued 1,000,000 shares valued at $100,000 pursuant to the option agreement to acquire up to a 100% interest in the El Potrero property in Durango, Mexico.

iv) issued 14,298,310 shares pursuant to warrant exercises for gross proceed of $945,853 and allocated $9,997 to share capital from warrant reserve.

v) closed a non-brokered private placement of 7,625,171 units at $0.14 per unit for gross proceeds of $1,067,524. 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 $0.20. The Company paid $2,940 in finders' fees and issued 21,000 share purchase finders warrants. Each finder's warrant entitles the holder to purchase one common share at a price of $0.20 for a two-year period.

vi) issued 40,000 shares valued at $4,800 for finder's fees related to acquisition of the El Potrero property in Durango, Mexico.

vii) closed a non-brokered private placement of 10,915,492 units at $0.14 per unit for gross proceeds of $1,528,169. 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 $0.20. The Company paid $29,096 in finders' fees and issued 207,828 share purchase finders warrants. Each finder's warrant entitles the holder to purchase one common share at a price of $0.20 for a two-year period.

viii) issued 1,000,000 shares valued at $135,000 pursuant to the option agreement to acquire up to a 100% interest in the El Potrero property in Durango, Mexico.

ix) issued 40,000 common shares valued at $5,400 for finder's fees related to acquisition of the El Potrero property in Durango, Mexico.

x) issued 2,376,667 common shares at $0.06 per share at a value of $142,600 to settle accounts payable of $142,600 to related parties.

The consolidated financial statements were 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 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 and developing mineral projects that, by its nature, involves a high degree of risk. There can be no assurance that current 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 may 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.

SELECTED ANNUAL INFORMATION

Years ended April 30,	**2026**	**2025**	**2024**
Financial results			
Exploration expenditures	$ 1,256,306	$ 132,691	$ 3,282
Net loss from continuing operations	(2,976,297)	(833,054)	(659,087)
Basic and diluted loss from continuing operations	(0.02)	(0.01)	(0.02)
Financial results			
Working capital (deficit)	1,292,815	(250,126)	(444,403)
Mineral properties	1,569,094	695,205	601,321
Total assets	3,486,424	1,238,342	741,288
Share capital	40,687,121	35,271,266	33,944,853
Deficit	(47,693,333)	(44,717,036)	(43,883,982)

QUARTERLY INFORMATION

Financial results in this section reflect net income from continuing operations and comparatives have been restated to exclude loss from discontinued operations.

	2026	2026	2025	2025
Quarter Ended	**Apr. 30**	**Jan. 31**	**Oct. 31**	**Jul. 31**
Exploration expenditures	$ 621,270	$ 177,151	$ 243,752	$ 214,133
Net loss from continuing operations for the quarter	(1,129,094)	(746,343)	(650,427)	(450,433)
Net loss from continuing operations per share (basic and diluted)	(0.01)	(0.01)	(0.01)	(0.01)

	2025	2025	2024	2024
Quarter Ended	**Apr. 30**	**Jan. 31**	**Oct. 31**	**Jul. 31**
Exploration expenditures	$ -	$ -	$ -	$ 1,152
Net income (loss) from continuing operations for the quarter	(400,250)	(447,217)	145,296	(127,283)
Net income (loss) from continuing operations per share (Basic and diluted)	(0.01)	(0.01)	0.00	(0.00)

During the quarter ended April 30, 2026, net loss from continuing operations increased to $1,129,094 (January 31, 2026 – $746,343) primarily due to share based compensation of $274,365 (January 31, 2026 -$2,170) and exploration expenditures of $621,270 (January 31, 2026 – $177,151).

During the quarter ended January 31, 2026, net loss from continuing operations increased to $746,343 (October 31, 2025 – $650,427) primarily due to foreign exchange loss of $183,596 (October 31, 2025 - $19,077) and transfer agent and filing fees of $48,763 (October 31, 2025 – $14,003).

During the quarter ended October 31, 2025, net loss from continuing operations increased to $650,427 (July 31, 2025 – $450,433) primarily due to exploration expenditures of $243,752 (July 31, 2025 – $214,133) and marketing services of $229,749 (July 31, 2025 – $83,221). Costs increased due to an increase in operations subsequent to acquisition of the Company's Mexican property.

During the quarter ended July 31, 2025, net loss from continuing operations increased to $450,433 (April 30, 2025 – $400,250) primarily due to unrealized loss of $82,839 (April 30, 2025 – $74,426).

During the quarter ended April 30, 2025, net loss from continuing operations decreased to $400,250 (January 31, 2025 – $447,817) primarily due to unrealized gain of $74,426 (January 31, 2025 – loss of $176,132).

During the quarter ended January 31, 2025, net loss from continuing operations increased to $447,817 (October 31, 2024 – income of $145,696) primarily due to exploration expenditures of $37,362 (October 31, 2024 - $Nil) and marketing services of $134,543 (October 31, 2024 – $86,075).

During the quarter ended October 31, 2024, net income from continuing operations increased to $145,696 (July 31, 2024 – loss of $127,283) primarily due to gain on recovery of exploration expenditure of $202,582 (July 31, 2024 – $Nil).

During the quarter ended July 31, 2024, net loss from continuing operations increased to $127,283 (April 30, 2024 - $14,425) primarily due to marketing services of $44,005 (April 30, 2024 –$11,598) and professional fees of $11,960 (April 30, 2024 – recovery of $55,012).

During the quarter ended April 30, 2024, net loss from continuing operations decreased to $14,425 (January 31, 2024 - $173,257) primarily due to professional and listing fees recovery of $55,012 (January 31, 2024 – expense of $93,489) relating to the Company's efforts to complete an RTO.

OFF-BALANCE SHEET ARRANGEMENTS

There are no off-balance sheet arrangements or obligations that are not disclosed in the financial statements.

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 year ended April 30, 2026	Salary or Fees	Share-Based Payment	Total
Management and Director Compensation**	$ 141,148	$ 106,214	$ 247,362
Cross Davis & Company LLP *	63,000	23,603	86,603
	$ 204,148	$ 129,817	$ 333,965

For the year ended April 30, 2025	Salary or Fees	Share-Based Payment	Total
Management and Director Compensation**	$ 77,000	$ 50,411	$ 127,411
Cross Davis & Company LLP *	63,000	9,166	72,166
	$ 140,000	$ 59,577	$ 199,577

	April 30, 2026	April 30, 2025
Related party liabilities * **	$ -	$ 262,431

* Cross Davis & Company LLP provides management services including a Chief Financial Officer, accounting staff, and administrative staff. At April 30, 2026, the Company had a prepaid balance of $10,500 (April 30, 2025 – $Nil) to Cross Davis for future services.

** Included in management and director compensation:

i) $115,000 in consulting fees paid or accrued to Robert Archer, CEO and stock-options with a fair value of $35,405 granted for management services rendered.

ii) $12,000 in consulting fees paid or accrued to a corporation owned by Ron Schmitz, Director, for consulting services rendered and stock-options with a fair value of $23,603 granted for director services rendered.

iii) $4,000 in consulting fees paid or accrued to a corporation owned by David Salari, Director, for consulting services rendered and granted stock-options with a fair value of $23,603 granted for director services rendered.

iv) $4,000 in consulting fees paid or accrued to Colin Jones, Director, for consulting services rendered and granted stock-options with a fair value of $23,603 granted for director services rendered.

*** Due to management consists of fees owing to two key management personnel for consulting fees.

During the year ended April 30, 2026, the Company issued 2,376,667 common shares at $0.06 per share at a value of $142,600 to settle accounts payable of $142,600 owing to related parties.

CHANGES IN ACCOUNTING STANDARDS

Please refer to the April 30, 2026 consolidated financial statements on www.sedarplus.ca for accounting policy pronouncements.

FINANCIAL INSTRUMENTS

Financial Risk Management

The Company's strategy with respect to cash is to safeguard this asset by investing any excess cash in very low risk financial instruments such as term deposits or by holding funds in the highest yielding savings accounts with major Canadian banks. By using this strategy, the Company preserves its cash resources and is able to marginally increase these resources through the yields on these investments. 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 US. The Company funds cash calls to its subsidiaries outside of Canada in US dollars and a portion of its expenditures are also incurred in US dollars. The Company has not hedged its exposure to currency fluctuations. The Company is exposed to currency risk through assets and liabilities denominated in US dollars. However, a 10% change in the exchange rate of the US dollar to the Canadian dollar would result in only a nominal increase or decrease to the loss from operations.

Credit Risk

The Company's cash is mainly held through large insured Canadian and United States financial institutions and, 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 as outlined in Note 10 of the consolidated financial statements on www.sedarplus.ca. The Company's objective is to ensure that there are sufficient committed financial resources to meet its business requirements for a minimum of twelve months.

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. The Company's cash is held mainly in term deposits and therefore there is currently minimal interest rate risk.

Mineral Property Exploration and Mining Risks
The business of mineral deposit exploration and extraction involves a high degree of risk. Few properties that are explored ultimately become producing mines. At present, none of the Company's properties has a known commercial ore deposit. The main operating risks include ensuring ownership of and access to mineral properties by confirmation that option agreements, claims and leases are in good standing and obtaining permits for drilling and other exploration activities.

The market prices for silver, gold and other metals can be volatile and there is no assurance that a profitable market will exist for a production decision to be made or for the ultimate sale of the metals even if commercial quantities of precious and other metals are discovered.

Financing and Share Price Fluctuation Risks
The Company has limited financial resources, no source of operating cash flow and has no assurance that additional funding will be available to it for further exploration and development of its projects. Further exploration and development of one or more of the Company's projects may be dependent upon the Company's ability to obtain financing through equity or debt financing or other means. Failure to obtain this financing could result in delay or indefinite postponement of further exploration and development of its projects which could result in the loss of one or more of its properties.

Securities markets have experienced a high degree of price and volume volatility, and the market price of securities of many companies, particularly those considered to be development stage companies such as the Company, have experienced wide fluctuations in share prices which have not necessarily been related to their operating performance, underlying asset values or prospects. There can be no assurance that these kinds of share price fluctuations will not occur in the future, and if they do occur, how severe the impact may be on the Company's ability to raise additional funds through equity issues.

Political and Currency Risks
The Company operates in countries that have a stable political environment. Changing political situations may affect the manner in which the Company operates. The Company's equity financings are sourced in Canadian dollars but for the most part it has incurred its exploration expenditures in US dollars. At this time there are no currency hedges in place. Therefore, a weakening of the Canadian dollar against the US dollar could have an adverse impact on the amount of exploration conducted.

Insured and Uninsured Risks
In the course of exploration, development and production of mineral properties, the Company is subject to a number of risks and hazards, including adverse environmental conditions, operational accidents, labor disputes, unusual or unexpected geological conditions, changes in the regulatory environment and natural phenomena such as inclement weather conditions, floods, and earthquakes. Such occurrences could result in damage to the Company's property or facilities and equipment, personal injury or death, environmental damage to properties of the Company or others, delays, monetary losses and possible legal liability.

Although the Company may maintain insurance to protect against certain risks in such amounts as it considers reasonable, its insurance may not cover all the potential risks associated with its operations. The Company may also be unable to maintain insurance to cover these risks at economically feasible premiums or for other reasons. Should such liabilities arise, they could reduce or eliminate future profitability and result in increased costs, have a material adverse effect on the Company's results and result in a decline in the value of the securities of the Company. Some work is carried out through independent consultants and the Company requires that all consultants carry their own insurance to cover any potential liabilities as a result of their work on a project.

Environmental Risks and Hazards
The activities of the Company are subject to environmental regulations issued and enforced by government agencies. Environmental legislation is evolving in a manner that will require stricter standards and enforcement and involve increased fines and penalties for non-compliance, more stringent environmental assessments of proposed projects, and a heightened degree of responsibility for companies and their officers, directors and employees. There can be no assurance that future changes in environmental regulation, if any, will not adversely affect the Company's operations. Environmental hazards may exist on properties in which the Company holds interests which are unknown to the Company at present.

Competition
The Company will compete with many companies and individuals that have substantially greater financial and technical resources than the Company, for the acquisition and development of its projects as well as for the recruitment and retention of qualified employees.

SHAREHOLDERS' EQUITY

Common shares

At August 25, 2026, the Company had 142,449,158 common shares issued and outstanding.

The following tables disclose the number of warrants and options outstanding as at August 25, 2026:

Stock options

Number of options	Exercisable	Exercise price	Expiry date
2,470,000	2,170,000	$0.20	February 4, 2029
3,500,000	3,500,000	$0.05	September 23, 2029
500,000	500,000	$0.05	April 17, 2030
6,470,000	6,170,000		

Warrants

Expiry date	Number of warrants outstanding and exercisable	Exercise price
February 25, 2027	7,632,500	$0.06
August 7, 2027	13,131,368	$0.10
August 7, 2027	343,700	$0.10
December 18, 2027	3,812,586	$0.20
December 18, 2027	21,000	$0.20
February 2, 2027	5,457,746	$0.20
February 2, 2027	207,828	$0.20
August 7, 2028	2,964,000	$0.16
August 7, 2028	68,400	$0.16
	33,639,128	