

## **Pinnacle Receives Permit for Surface Drilling Program at El Potrero and Provides Update on Other Permits for Production Restart**

**VANCOUVER, BRITISH COLUMBIA, October 26, 2026 (TSXV: PINN, OTCQB: PSGCF, Frankfurt: P9J) – Pinnacle Silver and Gold Corp.** ("Pinnacle" or the "Company") is pleased to announce that it has received a permit from the *Secretaría del Medio Ambiente y Recursos Naturales* (SEMARNAT), Mexico's federal ministry responsible for environmental protection, natural resource management, and sustainable development, for a surface drilling program at the past-producing El Potrero gold-silver project in Durango, Mexico. The permit covers 110 drill sites and is valid for two years. At present Pinnacle is planning on a first-pass drill program contemplated to include 48 holes, for 5,540 metres. Targets will include gaps around the historic mine workings that could not be reached by the current underground drilling program, the additional 1,100 metre strike extent of the Dos de Mayo vein system, the parallel El Capulín vein system and the Estrella vein (see Figure 1).

Significantly, this permit is more than just a standard drill permit. Due to the categorization of the area within which this part of the property lies as being classified as 'Semi-warm, Sub-humid', the 'NORMA 120' standard for drill permits does not apply. Consequently, a full environmental permit, or *Manifiesto Impacto Ambiental* (MIA) was required. In going through the protracted process of obtaining this permit, Pinnacle was required to provide substantively more background and baseline data than would normally be required for a drill permit, resulting in a longer approval time. Having now done that however, the same data is being used to form the basis for the permits required for the mine, processing plant, tailings storage facility (TSF), powerline extension, water license, and auxiliary infrastructure, all of which are underway.

"Obtaining this drill permit is a major step forward for the Potrero Project," stated Robert Archer, Pinnacle's President & CEO. "Not only are we now able to transition from underground to surface drilling, but we have laid the groundwork for much of the permitting that is required to bring the project back into production. So, although this process took longer than a normal drill permit, it was not a waste of time as we would have been required to do the work anyway. We anticipate completing the underground program around the end of November, and demobilizing the underground crew and equipment, prior to commencing the surface program. Once the first surface drill is properly established on the Dos de Mayo vein targets, we will consider adding a second drill to start on the Estrella vein as we believe that structure has a lot of potential. When all the results have been received for the underground drilling, we will be able to tabulate a mineral inventory for the existing mines, then add to that with the results from the surface drilling program, with the aim of providing a sufficient foundation for a mine plan and formal production decision in early 2027."

### **Update on Underground Drilling**

The underground drilling at the historic Pinos Cuates mine has been completed, with a total of 1,452.2 metres in 73 holes. All remaining samples have been submitted to the SGS lab in Durango and results

will be released once they have been compiled and interpreted, in 3-4 weeks. Results to date have been highly encouraging, including locally high-grade gold and silver values, and the overall mineralized zone appears to be larger than originally known (see [Pinnacle news releases from August 18](#) and [September 9, 2026](#)). The underground drill has now moved into the historic Dos de Mayo mine, just along strike to the southeast, where 555 metres in 27 holes are currently planned.

### Surface Drilling Targets

The Phase 1 surface drilling program is currently planned to comprise 5,540 metres in 48 holes and can be broken down into four target areas (see Figure 1):

- 1) Fill-in holes around the historic underground workings, testing parts of the Dos de Mayo vein structure that could not be reached with the underground drill. Fourteen holes are planned, for 1,255 metres.
- 2) Step-out holes on the Dos de Mayo vein along strike to the northwest. Mapping has traced the vein for approximately 1,100 metres from the historic mines and none of this has ever been drilled. Nine holes are planned, for 425 metres.
- 3) The Capulín vein system lies approximately 200 metres to the southwest of the historic mine workings and parallel to the Dos de Mayo vein. El Capulín is a northwest-southeast-trending vein structure and has been mapped along a 375 metre strike, about the same length defined by the Dos de Mayo and Pinos Cuates mineralization (see plan map below). In contrast to the breccia vein on the Dos de Mayo trend, it appears as either a crystalline quartz vein with bands of lattice bladed quartz, or as a zone of 1 to 5 cm-wide quartz veinlets with a lattice bladed texture. It has an azimuth of 320-325° with a dip of 65° to 85° NE and width of 45 cm to 2 metres. Channel sampling has returned up to 6.27 g/t Au and 99 g/t Ag over 0.4 metres (see [Pinnacle news release from September 24, 2025](#)). Eight holes are planned, for 1,625 metres.
- 4) The Estrella vein lies some 500 metres to the southwest of the historic mines and approximately 500 metres higher in elevation. The significance of the latter is that vein textures and the presence of massive kaolinite are suggestive of a higher elevation in the mineralizing system. With gold-silver mineralization present at this higher level, it is possible that the mineralization could extend down to similar levels as the mines. As reported in [Pinnacle news release of January 20, 2026](#), a 42.5 metre long adit following the Estrella vein was channel sampled and identified two mineralized zones yielding 5.49 g/t Au and 48 g/t Ag over an average width of 0.72 metres 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, separated by 8 metres of lower grade material. Individual samples assayed up to 17.7 g/t Au and 24 g/t Ag over 0.5 metres. The Estrella vein has been traced on surface for approximately 400 metres and vertically downslope for approximately 200 metres, implying significant expansion potential. Seventeen holes are planned, for 2,235 metres.

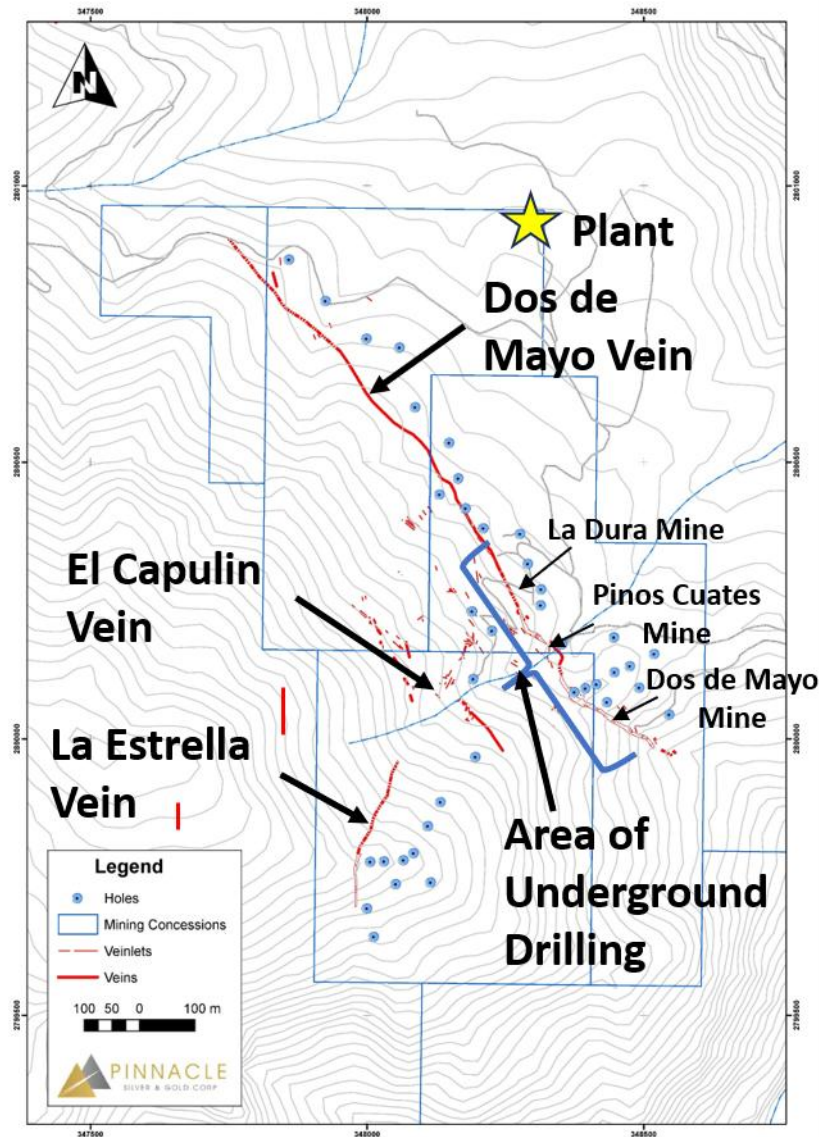


Figure 1: Target Areas for Upcoming Surface Drill Program

## Project Permitting Update

General permitting for the project is advancing on several fronts in parallel:

- 1) **Powerline Extension:** A Feasibility Study was conducted by Grupo Electroconstructor Rueda, S.A. de C.V. of Durango. The study detailed the route that the 3.3 kilometre extension would take, the materials needed, and the electrical specifications required to feed the plant and auxiliary operations. The Study was submitted to the Federal Electrical Commission, or *Comisión Federal de Electricidad* (CFE), who confirmed that the electrical capacity was

available and defined further steps for final approval, including environmental and 'change of soil use' (ETJ) permits for the area covered by the right of way for the new powerline.

- 2) **Water:** The Mexican government changed the water laws in December 2025, moving from a transactional system, whereby water licenses could be purchased and sold, to a more rigorous approval process tied into the environmental and sustainability laws. As such, Pinnacle has commissioned Geids Hydroagricultural Engineering to conduct hydrological engineering studies for submission to the National Water Commission, or *Comisión Nacional del Agua* (CONAGUA). CONAGUA has confirmed that there is sufficient water in the river below the Potrero plant area and field work for these studies has already begun. As the principals of Geids formerly worked at CONAGUA, they are familiar with the requirements and the processes to follow in order to obtain a water license in accordance with the regulations and in a timely manner.
- 3) **Tailings Storage Facility:** As part of the processing flowsheet, the intent is to produce dry tailings that will be stored in a 'dry-stack' tailings storage facility (TSF). For this, a site needs to be chosen, geotechnical studies conducted and design specifications prepared and submitted to the authorities. Pinnacle is currently reviewing proposals for this work and will initiate field work once a contractor has been chosen.
- 4) **Environmental:** As part of the process to obtain the permit from SEMARNAT for the surface drilling, Pinnacle has already conducted baseline studies on flora and fauna (including forestry), climate and weather, topography, etc. such that this work is being used as a foundation for the environmental studies and application for a MIA for the processing plant, mine, and general area that will also tie into the powerline, water and TSF requirements outlined above. This work will effectively expand upon that already completed by including particulars for the various buildings, TSF, etc. The infrastructure has been surveyed and drawings prepared to incorporate into the application. Details of mining and mineral processing will be incorporated at an appropriate time once a formal production decision has been made.

### Qualified Person

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

### About the Potrero Property

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

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



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

Pinnacle will earn an initial 50% interest immediately upon commencing production, increasing to 100% subject to a 2% NSR after 2 years. The mid-term goal is to generate sufficient cash flow with which to further develop the project and acquire additional projects. If successful, this approach would be less dilutive for shareholders than relying on the equity markets to finance the growth of the Company.

### **About Pinnacle Silver and Gold Corp.**

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

Signed: "Robert A. Archer"  
President & CEO

### **FOR FURTHER INFORMATION CONTACT:**

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*Except for historical information contained herein, this news release contains forward-looking statements including, but not limited to, comments regarding predictions and projections. Forward-looking statements address future events and conditions and therefore involve inherent risks and uncertainties. Although Pinnacle Silver and Gold believes that such expectations are reasonable, there can be no assurance that such expectations will prove to be correct, and therefore actual results may differ materially from those currently anticipated in such statements. Readers are cautioned not to place undue reliance on any such forward-looking statements, whether made in this news release or in any question and answer period related to this information.*

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