



PACIFIC IMPERIAL MINES INC.

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PPM

Pacific Imperial enters into an Option Agreement to acquire Fenton Property in British Columbia

Vancouver, British Columbia – January 27, 2026 – Pacific Imperial Mines Inc. (TSX.V: PPM) (“Pacific Imperial” or the “Company”) is pleased to announce that it has entered into an option agreement dated January 26, 2026 (“Option Agreement”) with Hudbay Minerals Inc. (“Hudbay”) pursuant to which Hudbay has granted the Company the option (the “Option”) to acquire a 100% interest in the Fenton property in British Columbia (the “Property”).

The Property has road access and is situated 30 kilometres south of Houston, British Columbia. The approximately 1,700-hectare Property is extensively covered by glacial till and is accessible by a network of logging roads. Past exploration on the Property includes geochemistry, airborne and ground geophysics and limited drilling. Mineralization on the Property is an epithermal, high to low sulphidation, precious metal system hosted within felsic volcanic rocks of the Kasalka Formation. The age, mineralization and alteration characteristics of the Property are similar to those of Artemis’ Blackwater deposit, which lies to the southeast along a Southeast-Northwest regional trend which hosts a majority of the gold-silver prospects and deposits in the region. The past producing Equity Silver mine is 40 kilometres east of the Property.

The transactions contemplated by the Option Agreement are subject to the Company obtaining the approval of the TSX Venture Exchange (the “Exchange”).

Under the Option Agreement, in order to exercise the Option, the Company must complete all of the following earn-in requirements on or before the sixth anniversary of the date that the Exchange provides approval for the transactions contemplated by the Option Agreement:

- (a) incur an aggregate of C\$5,250,000 in exploration expenditures on the Property in staged amounts for each anniversary ending on the sixth anniversary date;
- (b) make a one-time initial cash payment to Hudbay in the amount of C\$25,000 within 180 days following the date that the Company receives Exchange approval for the Option Agreement; and
- (c) make cash payments to Hudbay in the aggregate amount of C\$2,175,000, or, alternatively, issue to Hudbay an equivalent number of common shares of the Company (the “Shares”), in staged amounts for each anniversary ending on the sixth anniversary date and based on the applicable market price for such Shares, as further described below.

The Company may elect to accelerate any of the earn-in requirements under the Option Agreement at its discretion.

Any Share issuance to Hudbay under the Option Agreement will have an issue price per Share equal to the volume weighted average trading price of the Shares on the Exchange during the 10 trading days ending on the third trading date preceding the date any Shares are issued under the Agreement, subject to a minimum issue price of C\$0.05 per Share.

If any Share issuance to Hudbay under the Option Agreement would result in Hudbay holding greater than 9.99% of the Shares, the Company will be required to settle the applicable payment in cash instead of Shares. The Shares issuable under the Option Agreement will be subject to a hold period ending four months and one day after the date of issuance in accordance with applicable securities laws and the policies of the Exchange.

Upon the exercise of the Option, the Company will acquire a 100% interest in the Property and Hudbay will be granted a 1.25% Net Smelter Returns royalty on the Property (the “**Hudbay NSR**”). Within 10 days following the Company’s receipt of all required governmental permits to construct and operate a mine on the Property after exercise of the Option, the Company will make a one-time cash payment of C\$5,000,000 to Hudbay, which payment will constitute an advance payment of the Hudbay NSR. In addition, following the exercise of the Option and within 10 days after the Company publicly announces the commencement of commercial production on the Property, the Company will make an additional one-time cash payment of C\$10,000,000 to Hudbay, which payment will also constitute an advance payment of the Hudbay NSR. The Company has also granted Hudbay a right of first refusal in respect of the sale of any future metals or ore production from the Property.

In addition to any Hudbay NSR that may be granted on the Property following the exercise of the Option by the Company, the Property is currently subject to a 2% Net Smelter Returns royalty (the “**Underlying NSR**”) payable to a third party after the commencement of commercial production, which Underlying NSR would be assumed by the Company if the Option is exercised. The Company will have the right to purchase 50% of the Underlying NSR (i.e., a 1% Net Smelter Returns royalty) for a cash payment of C\$700,000.

The technical disclosure in this news release has been reviewed and approved by Peter Holbek, MSc., P.Geo., a director of the Company and a “qualified person” as defined in National Instrument 43-101 – *Standards of Disclosure for Mineral Projects*.

About Pacific Imperial Mines

Pacific Imperial is a mineral exploration company based in Vancouver, Canada, engaged in the acquisition, exploration, evaluation and development of mineral properties in an acceptable risk environment. The Company’s current focus is on the Brownell property in Saskatchewan and the Babine property in B.C.

ON BEHALF OF THE BOARD OF DIRECTORS

“Chris McLeod”
Chris McLeod, Chairman & CEO

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Neither TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

Cautionary Note Regarding Forward-Looking Statements

This press release contains forward-looking statements with respect to the Company. By their nature, forward-looking statements are subject to a variety of factors that could cause actual results to differ materially from the results suggested by the forward-looking statements. In addition, the forward-looking statements require management to make assumptions and are subject to inherent risks and uncertainties. There is significant risk that the forward-looking statements will not prove to be accurate, that the management's assumptions may not be correct and that actual results may differ materially from such forward-looking statements. Accordingly, readers should not place undue reliance on the forward-looking statements.

Generally forward-looking statements can be identified by the use of terminology such as "anticipate", "will", "expect", "may", "continue", "could", "estimate", "forecast", "plan", "potential" and similar expressions. Forward-looking statements contained in this press release may include, but are not limited to, statements regarding the receipt of approval of the Option Agreement by the Exchange, the Company obtaining regulatory, government and project-level approvals, the Company completing the earn-in requirements under the Option Agreement, the exercise of the Option and the acquisition of a 100% interest in the Property, the timing and occurrence of future royalty-related payments, and the timing, feasibility and achievement of commercial production on the Property, if any. These forward-looking statements are based on a number of assumptions which may prove to be incorrect including, but not limited to the ability of the Company to obtain all required regulatory, government, project-level and Exchange approvals, the ability to raise funds through private or public equity financings to meet the earn-in requirements; the ability of the Company to carry out its future plans with respect to the Property; the ability to obtain all permits and approvals required to advance the Property beyond the exploration stage; risks inherent in exploration activities; the impact of exploration competition; unexpected geological or hydrological conditions; changes in government regulations and policies, including trade laws and policies; failure to obtain necessary permits and approvals from government authorities; volatility and sensitivity to market prices; the uncertainty that commercial production may ever be achieved; volatility and sensitivity to capital market fluctuations; environmental and safety risks including increased regulatory burdens; weather and other natural phenomena; and other exploration, development, operating, financial market and regulatory risks.

The forward-looking statements contained in this press release are made as of the date hereof or the dates specifically referenced in this press release, where applicable. Except as required by law, the Company does not undertake any obligation to update publicly or to revise any forward-looking statements that are contained or incorporated in this press release. All forward-looking statements contained in this press release are expressly qualified by this cautionary statement.