

51-102F3 Material Change Report [F]

Item 1 Name and Address of Company

Prime Meridian Resources Corp.
1400 – 1040 West Georgia Street
Vancouver, BC V6E 4H1

Item 2 Date of Material Change

October 17, 2018

Item 3 News Release

The news release dated October 17, 2018 was disseminated through Canada Stockwatch and Market News under section 7.1 of National Instrument 51-102.

Item 4 Summary of Material Change

Please refer to attached news release.

Item 5 Full Description of Material Change

5.1 Full Description of Material Change

Please refer to attached news release.

5.2 Disclosure for Restructuring Transactions

N/A

Item 6 Reliance on subsection 7.1(2) or (3) of National Instrument 51-102

N/A

Item 7 Omitted Information

N/A

Item 8 Executive Officer

Brian Leeners, CEO, Prime Meridian Resources Corp.

Item 9 Date of Report

October 17, 2018

NEW RESOURCE TRANSACTION AND PRIVATE PLACEMENT

Vancouver, B.C.: Prime Meridian Resources Corp. (“PMR” or the “Company”) (TSXV Symbol: PMR) is pleased to announce that further to its News Release of May 30, 2018 the Company has concluded an updated Letter of Intent (“LOI”) for an option to purchase a seventy percent (70%) interest in a company that holds the Parral Mining Project in Chihuahua, Mexico (“Parral Project”).

Under the terms of the LOI, a one-hundred percent (100%) interest in the Parral Project will be assigned to a new Mexican Company (“MX NewCo”) that will own, have the right to purchase, lease or have an option on the resource assets and processing operations in the Parral region of Chihuahua, Mexico. PMR will earn from the shareholders of MX NewCo (the “Optionors”) an initial thirty percent (30%) permanent interest in MX NewCo and a forty percent (40%) conditional interest (cumulative total of 70%) in MX NewCo.

PMR will earn its initial 30% interest by completing the following capital transactions:

- a. issue CA\$500,000 in common shares of the Company to the Optionors at a CA\$0.10 per share value;
- b. issue common shares to one of the Optionors at a \$0.10 per share value in order to retire up to US\$200,000 in loans by that Optionor to MX NewCo;
- c. completing US\$800,000 in cash payments as follows:
 - o on completion of an initial 43-101(s) subject to regulatory requirements;
 - o payment to the Optionors of up to US\$185,000 to repay the documented accrued expenses of the Optionors related to the Parral Project;
 - o payment to the Optionors (+ 7% annual interest accrued from the date of the loans) for repayment of loans advanced by the Optionors for the development of the Parral Project (to be confirmed and dated by receipts) by December 31, 2018; and
 - o advance to MX NewCo the balance (if any) of the required US\$800,000 cash payments toward the development capital of the Parral Project

If the amounts advanced under (c) above exceed US\$800,000 then the excess amount will be accrued against the US\$1.0 million in capital investment amount detailed below.

PMR will have the right to convert its forty percent (40%) conditional interest into a permanent interest in MX NewCo by completing a further US\$1.0 million in capital investment into MX NewCo or by financing the development of the combined processing plant input capacity of the Parral Project to 500 tonnes per day within 36 months of the date of the LOI. If PMR advances less than US\$1.0 million in capital investment the percentage that is converted to a permanent interest will be pro-rated proportional to the amount that is advanced.

Under a residual option, the Optionors have the option to sell a further ten percent (10%) interest in MX NewCo (cumulative total of 80%) to PMR within ninety (90) days of the Parral Project producing a cumulative total of US\$2.5 million in EBITDA, for 2.5 million common shares of PMR. The remaining interest in MX NewCo held by the Optionors will be subject to a standard contributory Joint Venture between the parties and/or a valuation purchase for further common shares of PMR subject to agreement between the parties.

The LOI is subject to due diligence, negotiation, execution of a definitive agreement and receipt of any required reports and regulatory approvals by the parties.

The Company is conducting a non-brokered private placement financing of up to 15,000,000 shares at a price of ten cents per share (\$0.10) to raise proceeds of up to \$1,500,000. The Company will, upon completion of the financing, have working capital on hand to move forward with its resource-focused business plan. Finders fees may be payable on this financing and the Parral Project transaction.