Prime Meridian Resources Corp. Secures Option to Purchase the Historic La Verde Grande Cu-Zn-Ag-Au Mine in Sonora State, Mexico

- **Acquisition of historic copper and silver mine plus six more Cu-Zn-Ag-Au skarn zones.**
- **Historic reserve estimate is from only 110 metres of strike length at La Verde Grande Mine.**
- **Identified >2 kilometre strike length of Cu-Zn-Ag-Au skarn-style mineralization.**
- **Includes opportunity for discovery of proximal Cu porphyry mineralization.**

Vancouver, British Columbia--(Newsfile Corp. - December 9, 2021) - **Prime Meridian Resources Corp.** (TSXV: PMR) ("**PMR**" or the "**Company**") is pleased to announce that the Company has executed a letter of intent (LOI) providing it with the right to purchase up to a 100% interest in the La Verde Grande Cu-Zn-Ag-Au Mine and surrounding concessions (the "La Verde Project" or the "Project"). The La Verde Project is located in central Sonora State, Mexico, approximately 50 km northwest of the city of Hermosillo. The La Verde Project comprises nine mineral concessions covering 2,493 hectares. The Company's plan is to fast-track the exploration and development of the seven currently known Cu-Zn-Ag-Au skarn zones, while evaluating in parallel, the significant opportunity for the discovery of copper porphyry mineralization proximal to those skarn zones.

Brian Leeners, chief executive officer of PMR, commented: "We have been financing and developing copper projects in Canada, the USA and Mexico for over 20 years and the opportunity at La Verde is the best I have seen over that time period, as it provides a potentially significant value proposition from the combination of a near-term production opportunity from the skarns and the exciting prospect of a new copper porphyry discovery in one of the world's most productive copper belts. We also know that timing is important in the copper sector and there has never been a better time based on the historic transitions going on in the global copper market."

Access to the La Verde Project is via paved highway and improved gravel road that ends directly at the main historical workings near the center of the property. Local infrastructure includes proximity to a major city, an adjacent paved highway, close proximity to electrical power lines, an abandoned plant site on the property. The Project is located in a major mining district with available processing facilities. The climate within the property area is arid to semi-arid, which is typical of lower elevations in the Sonoran Desert. Seasonal rains occur between June and September, the planned exploration and development work can be conducted year-round.

The technical information in this news release has been largely derived from the September 30, 2009, "Technical Report on the La Verde Project, prepared for Yale Resources Ltd.", by Robert A. Van Egmond.

The Technical Report can be downloaded here:
https://www.primemeridianresources.com/s/La_Verde_43-101_Yale_2009.pdf

The La Verde Project has had historic copper and silver production from copper oxide ore mainly from skarn-style mineralization at the La Verde Grande Mine. Numerous other historic workings within the property limits have also seen limited exploitation. The La Verde Project is located within Sonora State which is one of the most important mining areas in Mexico. A variety of different types of mineral deposits have been mined within Sonora State, including the copper skarn and copper porphyry deposits in the Cananea district.

The La Verde Project contains the historic La Verde Grande copper-zinc-silver-gold mine, as well as a further six known skarn prospects. Copper mineralization at La Verde is found mainly as oxides (malachite, chrysocolla and chalcocite) over the known mineralization zones within a current strike length of >2 kilometres.

At the Project, there is known patchy sulphide mineralization and sulphide mineralization has been reported in workings at depth. The La Verde Project has been previously exploited in documented historical production of copper and silver obtained from the copper oxides (La Verde Grande mine from 1903-1935). There are also multiple limited historical mining works within the balance of the Project.

La Verde Grande Mine

The La Verde Grande Mine is the most advanced of the known targets at the La Verde Project, as it has a historical "ore reserve estimate" for the central mineralized zone (Ainsworth-Jenkins Holdings Ltd., 1989) that covers only 110 metres of strike length. The following excerpt from Van Egmond, 2009 describes the historical estimate: *

"The historic ore reserve estimate made by Ainsworth-Jenkins Holdings Inc. in 1989 gives 'proven reserves' of 256,956 tonnes grading 2.28 % copper, 104 g/t silver and 0.35 g/t gold and 'probable reserves' of 152,595 tonnes grading 2.29 % copper, 99 g/t silver and 0.38 g/t gold. In addition, an estimate totaling 50,000 tonnes of material grading 2.29 % copper, 98.54 g/t silver and 0.38 g/t gold was categorized as 'Indicated' from the northeast extension of La Verde Grande." *

Historical metallurgical test work combined with historic production records indicate good metal recoveries from the copper-silver-zinc-gold skarn mineralization at La Verde Grande. Historical preliminary leach tests and historical metallurgical tests of the copper-silver-zinc skarn ore indicate that recoveries of copper, silver and zinc are good with average test recoveries for silver by floatation of approximately 80%, and copper and zinc through acid leaching of approximately 86% and 76% respectively. *

* Readers' Caution: The "proven", "probable" and "indicated" categories of the 1989 estimate are assumed to be the same as those outlined in the National Instrument 43-101 Standards for Disclosure for Mineral Projects. However, since the report predates NI 43-101 guidelines, these numbers are only included for historical reference and should not be relied upon. A qualified person has not done sufficient work to classify the historical estimate as current mineral reserves and the Company is not treating the historical estimate as current mineral reserves. Further work must be completed to verify the historical estimate as current mineral resources or reserves.

Transaction Details

- PMR will make cash payments of US$400,000 and make common share payments having a total value of up to US$8,000,000 to acquire up to a 100% indirect ownership of the La Verde Project subject to a 2% royalty.
- PMR will be bound to make the above US$400,000 cash payment and upon completing the payment, PMR will have earned a 5% indirect ownership in the La Verde Project.
- PMR will acquire a further 45% interest in the new Mexican company (resulting in the indirect acquisition of 50% of the La Verde Project) upon the issuance of 25 million common shares of PMR to GMP, priced at a deemed value of CA$0.15 per common share.
- PMR will acquire an additional 25% indirect interest in the La Verde Project upon the issuance of an additional US$3,000,000 in common shares of PMR at any time before the first anniversary of the TSX Venture Exchange approval of the Purchase Option and priced at the VWAP of the 10 trade-days preceding the payment subject to such price being no lower than the price of the common shares issued in the first installment in above and no higher than US$0.50.
- PMR will earn a final 25% indirect interest (cumulative 100%) in the La Verde Project upon the issuance of an additional US$2,000,000 in common shares of PMR at any time before the second anniversary of the TSX Venture Exchange approval of the Purchase Option and priced at the VWAP of the 10 trade-days preceding the payment subject to such price being no lower than the price of the shares in the first installment in above and no higher than US$1.00.
- All common shares issued by PMR under the terms of the Purchase Option, will be subject to a three-year time-release escrow which will begin on the date of the TSX Venture Exchange approval of the Purchase Option.
- In the event that PMR earns less than a 100% interest in the Project the vendor and PMR will form a joint venture for the further development of the Project based on their respective interests.
- PMR will receive all revenue and profits from production from the Project from the date of TSX Venture Exchange approval provided it continues to increase its interest by making the share issuances on the first and second anniversaries, failing which the revenues and profits will be apportioned between the vendor and PMR in accordance with their respective interests.

The vendor will also receive a Net Smelter Royalty ("NSR"), registered with the Mining Ministry of Mexico, of 2.0% on all production from the skarn-style mineralization ("Skarn NSR"); and 2.0% on all production from the

porphyry mineralization ("Porphyry NSR") with an assignable right in favour of PMR, to buy back 1% of the Porphyry NSR for US$1.0 million.

The execution of the Definitive Agreements will be subject to the following conditions:

- The satisfactory completion of due diligence by both parties;
- Completing an updated 43-101 Technical Report (if required); and
- Each Party obtaining all necessary and appropriate governmental, regulatory, contractual, board of director, shareholder, member and other third-party licenses, permits, approvals and/or consents which are required to execute the Definitive Agreements.

Qualified Person

The technical contents of this release were approved by Case Lewis, P.Geo., a Qualified Person as defined by National Instrument 43-101.

References

Van Egmond, R., 2009. "Technical Report on the La Verde Project, prepared for Yale Resources Ltd." https://www.primemeridianresources.com/s/La_Verde_43-101_Yale_2009.pdf

On behalf of the Board of Directors of
Prime Meridian Resources Corp.

"Brian Leeners"

Brian Leeners, CEO & Director
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The TSX Venture Exchange has in no way passed upon the merits of the proposed transaction and has neither approved or disapproved the contents of this press release.

PRIME MERIDIAN RESOURCES CORP.

To view the source version of this press release, please visit https://www.newsfilecorp.com/release/107223