

Prime Meridian Resources Corp. Executes Purchase Option Agreement on the Cuatro Hermanos Project

Vancouver, British Columbia--(Newsfile Corp. - February 9, 2023) - **Prime Meridian Resources Corp. (TSXV: PMR)** ("PMR" or the "**Company**") is pleased to announce that today the Company received the signed and notarized agreement (the "Agreement") for the option to purchase (the "Purchase Option") a 100-per-cent interest in the Cuatro Hermanos Porphyry Copper Project (the "4H Project"), located in Sonora, Mexico, 185 kilometres southeast of Hermosillo.

4H Project Overview:

- 10 concessions totalling 8,125 hectares which contains a large porphyry copper-molybdenum system with surface measurements of at least four kilometres east-west by two kilometres north-south.
- Initial exploration work on the property by companies including Occidental Petroleum (1969), Amoco (1974-1975), Cominco (1981), BHP-Magma (1997) and Phelps Dodge (1998) was limited in overall extent.
- Erosion has been sufficiently moderate so that a leached oxidized capping of 10 to 60 metres thickness has developed over the primary sulphides.
- Secondary supergene chalcocite mineralization is present in a tabular zone at the base of oxidation and the presence of exotic copper mineralization, transported by acid sulphate surface waters into stream gravels and conglomerate indicates primary sulphides were oxidized, copper put into solution and acid copper sulphate solutions moved down and laterally.
- Primary porphyry copper-molybdenum mineralization, mainly pyrite, chalcopyrite, and molybdenite, is present in quartz-veinlet stock works, disseminations and breccias associated with high level porphyritic intrusions of quartz monzonite to granodiorite and diorite compositions.

Brian Leeners, CEO of Prime Meridian, stated, "The Cuatro Hermanos Copper Project is currently an 8-square kilometre, at-surface, copper and molybdenum system with near-term soluble copper (SXEW) production potential. The asset in its entirety versus the current value of PMR, represents tremendous leverage to rising copper and molybdenum prices which are beginning to reflect projected deficits in forward supply."

Main Zone - 2008 Historical Indicated Resources

Cutoff CuEq (%)**	Tonnes	Cu (%)	Mo (%)	Ag (g/t)	Cu (lbs)	Mo (lbs)
0.0484	277,404,000	0.1682	0.0172	1.3	1,028,866,000	105,021,000
0.0967	252,971,000	0.1801	0.0186	1.4	1,004,348,000	103,690,000
0.1451	243,097,000	0.1841	0.0191	1.4	986,737,000	102,630,000
0.1934	223,794,000	0.1914	0.0202	1.5	944,378,000	99,702,000
0.2417	206,262,000	0.1970	0.0210	1.5	896,008,000	95,660,000
0.2899	177,917,000	0.2049	0.0224	1.6	803,871,000	87,800,000

(1), * See Cautionary Note below.

Main Zone - 2008 Historical Inferred Resources

Cutoff CuEq (%)**	Tonnes	Cu (%)	Mo (%)	Ag (g/t)	Cu (lbs)	Mo (lbs)
0.0483	892,229,000	0.1428	0.0166	0.9	2,808,674,000	325,601,000

0.0965	798,515,000	0.1541	0.0182	1.0	2,712,243,000	320,048,000
0.1448	745,687,000	0.1596	0.0191	1.0	2,623,544,000	313,852,000
0.1929	658,405,000	0.1672	0.0207	1.1	2,426,977,000	300,324,000
0.2409	557,510,000	0.1742	0.0226	1.1	2,141,552,000	277,993,000
0.2890	464,858,000	0.1830	0.0242	1.2	1,875,236,000	248,450,000

(1), * See Cautionary Note below.

Resource calculations are taken from the Technical Report, Cuatro Hermanos Porphyry Copper-Molybdenum Project Sonora, Mexico, prepared for Virgin Metals Inc. (09 August 2008)⁽¹⁾

** Cutoff CuEq has been recalculated from the historical cutoff grades utilizing metal prices as of February 7, 2023: Cu = US\$4.05/lb and Mo = US\$37.90/lb. No adjustments were made for recovery as the project is at an early stage and metallurgical data to allow for estimation of recoveries is not yet available.

*** Cautionary Note**

The reader is cautioned that the historical resource estimates referenced in this release (the "Historical Estimates") are considered historical in nature and as such is based on prior data and reports prepared by previous property owners. The reader is cautioned not to treat them, or any part of them, as current mineral resources or reserves. The Company has determined these historical resources are reliable, and relevant to be included here in that they demonstrate simply the mineral potential of the Project. A qualified person has not done sufficient work to classify the Historical Estimates as current resources and the Company is not treating the Historical Estimates as current resources. Significant data compilation, re-drilling, re-sampling and data verification may be required by a qualified person before the Historical Estimates can be classified as a current resource. There can be no assurance that any of the historical mineral resources, in whole or in part, will ever become economically viable. In addition, mineral resources are not mineral reserves and do not have demonstrated economic viability. Even if classified as a current resource, there is no certainty as to whether further exploration will result in any inferred mineral resources being upgraded to an indicated or measured mineral resource category.

Mineralization

Mineralization on the 4H Project consists of disseminated porphyry copper-molybdenum mineralization and peripheral exotic copper mineralization. Known centres of porphyry copper-molybdenum mineralization are the Main-Sulfate Zones, Cactus Zone, and the West Zone (Figure below). Sulphide mineralization is closely associated with the granite-quartz monzonite intrusive complex and associated hydrothermal brecciation, development of stockwork veinlets, and emplacement of dikes and veins. ⁽¹⁾

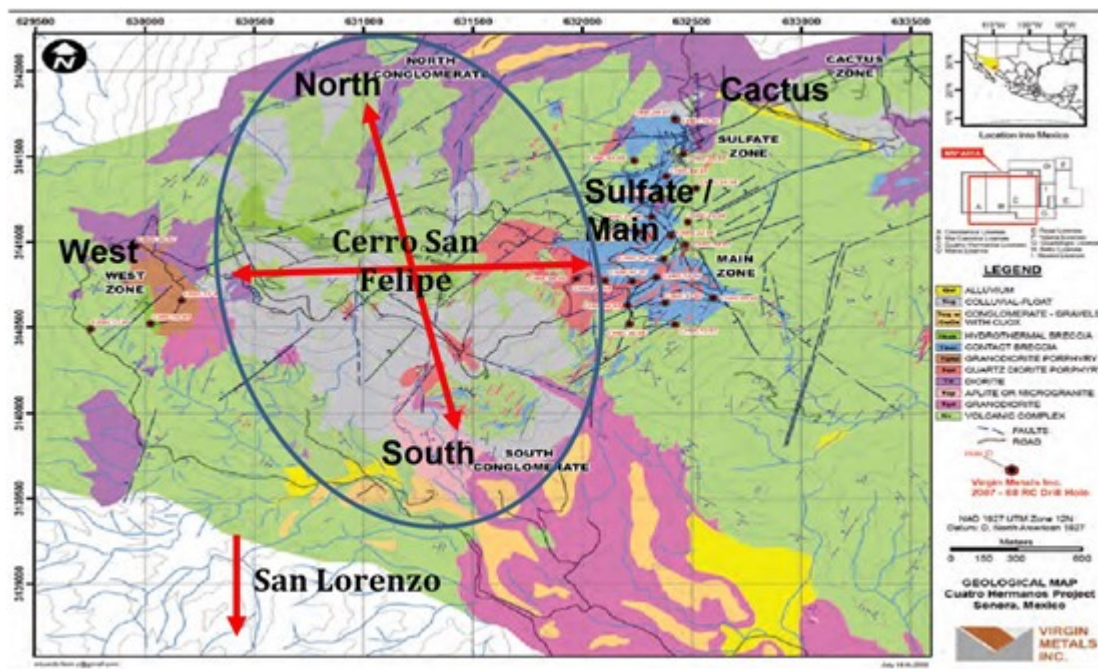


Figure 1. Cuatro Hermanos Project - Sonora, Mexico

To view an enhanced version of this graphic, please visit:

https://images.newsfilecorp.com/files/5386/154174_primemeridianfigure1.jpg

The **Main Zone** of disseminated copper-molybdenum mineralization is irregular in surface outline, measuring about 700 metres north-south by 300 to 600 in an east-west direction. Primary mineralization consists of stockwork and disseminated chalcopyrite, bornite and molybdenite in a complex host rock of equigranular to porphyritic quartz monzonite, related quartz porphyry dikes, quartz veinlets, and hydrothermal breccia. The andesite and latite host rocks into which the quartz monzonite complex is intruded contains some disseminated copper mineralization, but molybdenum mineralization is generally low grade. Molybdenum is preferentially present in quartz-rich intrusions, hydrothermal breccia, and quartz veins. A centre for copper-molybdenum mineralization appears to be located in the southerly and potentially the widest part of the mineralized zone. Here, a roughly circular area is cut by eight RC holes that demonstrate disseminated copper-molybdenite primary mineralization extends to at least 300 metres depth; the bottom and lateral limits of this mineralization have not yet been defined. Mineralization present throughout the length of the holes commonly averages between 0.2 to 0.3 %Cu and 0.01 to 0.04 %Mo. The base of surface oxidation and weathering varies from 20 to 60 metres in this zone. Copper is largely removed from the oxidized cap rock. A thin chalcocite supergene enrichment zone of 5 to 30 metres thickness is present just below the base of oxidation. Copper grades in this zone of supergene enrichment vary from 0.3 to 2.0 %Cu. ⁽¹⁾

The **Sulfate Zone** of disseminated copper-molybdenum mineralization is about 500 metres north-south by about 200 metres east-west and lies just north of and adjacent to the Main Zone. Primary sulphides are chalcopyrite, bornite, pyrite and molybdenite, disseminated in a host of quartz monzonite and associated quartz porphyry, in hydrothermal breccia and in quartz-vein stockworks. Primary mineralization in the Sulfate Zone appears more restricted when compared to the Main Zone and bottoms out at depths of 120 to 200 metres. Oxidized capping is 30 to 80 metres thick and rich in the iron sulphate mineral, jarosite, which gives the zone its name. A thin, secondary supergene chalcocite enrichment zone 20 to 30 metres thick is indicated in the five holes drilled in this area. Copper grades for the zone of enrichment are generally 0.5 to 1.0 %Cu. ⁽¹⁾

The **Cactus Zone** is an area of oxide and sulphide copper-molybdenum mineralization about 300 by 1,000 metres. Based on the drill results, the oxide zone appears to average near 0.48 %Cu, while the underlying hypogene sulphide zone is near 0.44 %Cu and 0.017 %Mo. Mineralization has been constrained laterally and base of mineralization has been defined by drilling. This zone of mineralization

may be a slab of mineralized bedrock that is detached from its original location of formation and moved into its present position along a low angle gravity fault of unknown displacement. ⁽¹⁾

The **West Zone** is about 1000 metres north-south and 700 meters east-west and is located about two kilometres west of the Main Zone. It has been tested with about 18 holes; 12 were drilled by Amoco, one by Occidental, one by Cominco, and four by VGM. Assay data is available for almost all of the West Zone drillholes, however, apart from the recent VGM reverse-circulation holes, no drill logs have been located. The limits and extent of mineralization are not yet well defined. Low grade disseminated chalcopryite-chalcocite-molybdenum mineralization is hosted in phyllic-altered granodiorite, quartz porphyry, and diorite, and to a lesser extent in andesitic to dacitic host rocks. Molybdenite is present mainly in the intrusive complex, with higher grades generally related to cross-cutting quartz-molybdenite veins and stockworks. ⁽¹⁾

The **North and South Conglomerate Zones** are comprised of crudely stratified, poorly sorted, polymictic conglomerates of probable Quaternary age, which were deposited on an erosion surface developed over the Cretaceous volcanic stratigraphy. The matrix of the conglomerates contains secondary copper minerals including malachite, chrysocolla, azurite, and black copper-manganese oxides. Boulders and cobbles in the conglomerate are coated with the same assemblage of minerals. Percussion drilling conducted by Morgain on both areas suggests average grades near 0.52% Cu. Oxidized surficial rocks in the mineralized areas are heavily stained with iron oxides; goethite, jarosite, and hematite are the most common, and are produced by oxidation of pyrite. The secondary greenish yellow molybdenum oxide mineral ferrimolybdite is present but not widespread. Secondary green copper minerals and copper-manganese minerals are present in Quaternary gravels and conglomerates. ⁽¹⁾

The **Cerro San Felipe Area** where local topographic relief is on the order of 400 meters. Preliminary IP Survey results indicate that a large part of Cerro San Felipe is underlain by IP chargeability anomalies. These results are consistent with observations of extensive limonite-rich oxidized capping that indicates disseminated sulphides are widespread across Cerro San Felipe. Phelps Dodge identified a molybdenum-in-soil anomaly consisting of values of over 51 ppm in an area measuring approximately 5,600 meters by 2,200 meters. This anomaly is very large and covers most of Cerro San Felipe. The exotic or transported copper mineralization at the North and South Conglomerate Zones very likely was derived from mineralized bedrock areas in the Cuatro Hermanos intrusive complex. The shape and location of the conglomerate units indicate they were likely derived from the Cerro San Felipe Area, somewhere between the Main and West Zones. Oxidation and solution of copper in supergene acid solutions is implied and suggest a possible zone of chalcocite enrichment in the bedrock source area. ⁽¹⁾

The **San Lorenzo Zone** was added to the 4H Project in 2004, and reconnaissance stream sediment sampling and rock chip sampling in 2008 delineated several areas of anomalous Cu, Mo, and Ag for follow up investigations. ⁽¹⁾

Recent Geophysics

A 14-line kilometre induced polarization geophysical survey was completed over the Cuatro Hermanos mineralized system in January 2008, by contractor Zonge Geosciences. One east-west Line was run across the Main and West Zones. Three north-south lines were run across the West Zone, Main Zone, and Cerro San Felipe ridge between the West and Main Zones. Preliminary results indicate that a large part of Cerro San Felipe is underlain by IP chargeability anomalies. These results are consistent with the extensive limonite-rich oxidized capping that indicates disseminated sulphides are widespread across Cerro San Felipe and the Cuatro Hermanos sulphide system. ⁽¹⁾

Qualified Person Statement

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

References

1. 09 August 2008. Technical Report, Cuatro Hermanos Porphyry Copper-Molybdenum Project Sonora, Mexico. Prepared for Virgin Metals Inc. (by Chlumsky, Armbrust and Meyer, LLC. Richard Nielsen, PhD. & Robert Sandefur, P.E

Transaction Details

As per the Agreement, dated January 16, 2023, to exercise the Purchase Option, PMR will make cash payments to Minerales Y Yacimientos Mexicanos Sacramento, S.A. DE C.V. (the "Vendor") and complete work expenditures over 60 months for a 100% ownership of the Cuatro Hermanos concessions, as per the following (USD):

Date	Cash Payment	Work Commitment
Execution	\$ 50,000	
12 Months	\$ 150,000	\$ 100,000
24 Months	\$ 200,000	\$ 250,000
36 Months	\$ 200,000	\$ 500,000
48 Months	\$ 200,000	\$ 1,000,000
60 Months	\$ 5,062,500	\$ 1,000,000
Project	\$ 5,862,500	\$ 2,850,000

The Vendor will retain a one percent (1%) Net Smelter Royalty ("NSR"), registered with the Mining Ministry of Mexico.

PMR will also be obligated to pay for the ongoing Mining Taxes/Duties/Fees to maintain the concessions in active status during the term of the Purchase Option. The Cuatro Hermanos concessions are in good standing before the Mexican Mines Bureau (known in Spanish as "Direccion General de Minas").

Financing

The Company previously announced in a News Release on November 25, 2022, that the Company would be relying on National Instrument 45-106 Section 5A.2 and a Form 45-106F19 offering document for an announced private placement offering. The Company has elected to terminate that private placement and offering document has been withdrawn and should not be relied upon.

The Company further announces a non-brokered private placement offering of units at five cents per unit for gross proceeds of up to \$1.0 million. The financing will consist of up to 20 million units at five cents, with each unit consisting of one common share of the Company and one common share purchase warrant, with each warrant being exercisable for an additional common share at an exercise price of 10 cents for 36 months. The warrants will be subject to the right of the Company to accelerate the exercise of the warrants if the shares of the Company trade at or above 50 cents for a period of 10 consecutive trading days. Finders' fees in accordance with TSX Venture Exchange policies may apply to the financing. All securities issued pursuant to the financing will be subject to a four-month hold. Proceeds raised from the financing will be used for project payments and holding costs, exploration expenditures and working capital expenditures.

The Company is continuing to seek approval for the La Verde Project from the TSX Venture Exchange and is continuing its due diligence review of both the La Sarita and El Chuin Projects in Sonora, Mexico. The Company will not be using any of the above funds for expenditures on the pending La Verde acquisition until that acquisition has been approved by the TSX Venture Exchange. The Company has reserved the symbol SDCU for the Company's new name, Sonoran Desert Copper Corp., subject to TSX Venture Exchange approval.

About Prime Meridian Resources

Prime Meridian Resources is focused on the exploration and development to production of copper and silver projects in Mexico.

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

"Brian Leeners"

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