

PMI RESOURCES LTD.
Suite 3123 - 595 Burrard Street
Vancouver, BC V7X 1J1
Tel: (604) 609-6110 Fax: (604) 609-6145

PMI RESOURCES LTD. PROVIDES UPDATE
ON ACQUISITION OF PATAGONIA OIL CORP.

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Vancouver, BC, May 3, 2017 – PMI Resources Ltd. (“**PMI**” or the “**Company**”) (TSXV: **PMI**), is pleased to provide an update on the acquisition of 100% of the shares of Patagonia Oil Corp., a company incorporated and existing under the laws of the British Virgin Islands (“Patagonia”).

Trading in the common shares of the Company has been halted in accordance with the policies of the TSX Venture Exchange (the “Exchange”) and will remain halted, until such time as all required documentation has been filed with and accepted by the Exchange and permission to resume trading has been obtained from the Exchange.

After completing the PentaNova Energy Corp RTO on April 4, 2017, PMI anticipates to complete the Patagonia acquisition in late May, early June. The size and terms of the concurrent financing have not been negotiated with the agents, but the financing is anticipated to close shortly before the Patagonia acquisition.

About Patagonia

Patagonia is a private corporation focused on oil and gas plays in Argentina. Patagonia has now entered into binding agreements to acquire certain oil and gas exploration, development and producing assets in Argentina (the “**Assets**”), as described below.

I. ASSETS

A. LLANCANELO EXPLOITATION ASSET (50%)

The Llanquanelo area is located to the north of the Neuquén Basin, in a basin-edge position in the province of Mendoza, 37 km south of the city of Malargüe. The Llanquanelo field was discovered by YPF in 1937 after drilling two exploratory wells that tested oil in the Tertiary levels. In 1965, the discovery well was drilled for the Neuquén Group from the Cretaceous period. Crude oil production from the area, as of December 31, 2016, was 1,736 bopd, from 32 active wells, with no gas reported. (*Audit of Hydrocarbon Reserves Attributable to Roch S.A. for Designated Properties in Argentina as of December 31, 2016*) (“Roch NI 51-101”) Minor amounts of gas are produced with the oil that are not reported and do not justify commercialization. Thirteen deviated wells were drilled in 2016 into a large heavy oil body which YPF has estimated to hold 1.7 billion barrels of oil (OOIP) on the block.

B. LLANCANELO “R” EXPLORATION ASSET

The Llanqueto “R” area is located to the north of the Neuquén Basin, in a basin-edge position in the province of Mendoza, 37 km south of the city of Malargüe. The area contains the extension of the producing formation from the Llanqueto area. There is no current production for the Llanqueto “R” area.

C. RIO CULLEN – LAS VIOLETAS – LA ANGOSTURA ASSETS (24.286%)

The Las Violetas, Angostura and Río Cullen areas are located in the Tierra del Fuego Province in the Austral Basin. These three areas cover about 497,211 acres (2,013 km²). Las Violetas has six productive fields, Angostura has five productive fields and Río Cullen has two productive fields. Most of the oil and gas is produced from the Springhill formation at depths around 2,100 and 2,200 m MD, respectively. The Springhill formation is the most important petroleum system in the basin. The production as of Dec 31, 2016 was 824 bopd of liquids and 30 MMcfd of gas. Production is from 49 active wells in 14 gas fields. (14 PUD’s and 15 Probable locations). (*Roch NI 51-101*) The blocks have 29 drill ready prospects an additional 30 prospects and leads have been identified on the block.

D. ANTICLINAL AGUADA BANDERA ASSET (“AAB”) (75%)

The Anticlinal Aguada Bandera (“AAB”) Block is located in the southwest productive trend of the San Jorge Basin. The AAB Block is comprised of 106,500 acres, including a producing AAB Field, discovered on September 6, 1983 in a structural-stratigraphic trap. The oil formation is the Bajo Barrial at a depth of 639 metres. Between 1963 and 2008, a total of 17 wells were drilled in the AAB Block area. In 2005, the production of this field was temporarily shut-in. 162 km² of 3-D seismic survey was conducted, two exploratory and four appraisal wells were drilled after Quintana farmed into the AAB Block. The AAB.a-1001 well confirmed the southern structure and the AAB.x-1002 explored the central structure in 2013. 380 km² of 3D seismic was conducted and four additional successful exploration wells were drilled in 2014 to appraise the central structure. Currently, there are seven producing wells, with cumulative oil production of 321,000 bbl oil and 146,288 Mcf of gas. Production as of Dec 31 2016 was 170 bopd. (The report titled: *Evaluation Of The Interests of PentaNova Energy Corp. In The Anticlinal Aguada Bandera Field In The Golfo San Jorge Basin Argentina* which satisfies the requirements of NI 51-101 and the COGE Handbook).

E. SUR RÍO DESEADO ESTE PRODUCTION ASSET (58.1%)

The Sur Río Deseado Este area is located in the Santa Cruz province (Golfo San Jorge Basin), in the zone known as the Southern Flank. The Sur Río Deseado area covers approximately 76,000 acres (308 km²) and includes two viscous oil fields towards the east of the area (Estación Tehuelches and La Frieda - La Frieda Oeste) plus a gas well (PBa.x-1 (Punta Bauza)) also in the east. The production permit covering 12,000 acres (50 km²) covers these three oil fields. The gas field is currently not in production. The area is under development and has exploration potential

for heavy oil. 3D seismic was acquired by Roch S.A., covering the full production permit. The production mainly comes from the Tertiary, Mina del Carmen and Baquero formations at depths between 800m and 900m.

F. SUR RÍO DESEADO ESTE EXPLORATION ASSET (52.4%)

The Sur Río Deseado Este Exploration Asset neighbors the Sur Río Deseado Este and includes the right to exploit, carry out complementary exploration and develop hydrocarbons located in a concession with an area of 255 Km².

G. KM8 ASSETS (100%)

The Km8 block is located north of the city of Comodoro Rivadavia in the Province of Chubut. The block covers 4,585 acres and consists of two production zones associated with drilling. Shallow drilling activity began in 1915 and continued until the late 1960's, with 671 wells in the Salamanca formation draining 600 mbbp (the first sandstone production from the basin of the San Jorge Gulf, with cumulative production of 4,500,000 m³ (28.3 mmbbl). From 1970 until 1997, 58 deeper wells were drilled, with cumulative production of 1,500,000 m³, (9.5 MMbbl). In total, production has averaged 164 m³ (1,032 bopd) throughout the history of the site. Today there are only 11 producing wells. The Km8 Assets include: 4 properties known as "San Jorge", "Sol de Mayo", "German Burmeister" and "George Stephenson"; land property rights over approximately 405 hectares within the area; and certain infrastructure and equipment related to such properties. Production as of Dec 31 2016 was 80 bopd. (Historic data has been verified from records of the Province of Chubut)

H. ESTANCIA LA MARIPOSA, LOMITA DE LA COSTA AND CERRO MANGRULLO (18%)

These assets include small gas prone blocks jointly operated in the center of the San Jorge basin. Estancia La Mariposa (ELM) covers 27.9736 km², Lomita de la Costa (LDLC) 10.22 km² and Cerro Mangrullo (CM) covers 50 km². The exploitation permits were granted in 2008. Production comes from the ELM property, with 5 new wells being drilled between 2014 and 2015.

II. DESCRIPTION OF THE ACQUISITIONS

1. LLANCANELO EXPLOITATION ASSET

Patagonia is acquiring a 50% participating interest in the Llancanelo Asset as follows: (i) a direct 10% participating interest through the Roch Acquisition, (ii) an indirect 29% participating interest through the Alianza Petrolera Acquisition and (iii) a direct 11% participating interest in the Llancanelo Asset through the YPF Acquisition.

2. LLANCANELO "R" EXPLORATION ASSET

As part of the agreement with YPF for the Llancanelo Exploitation Asset, Patagonia has acquired the rights to negotiate a farm-in with YPF in the surrounding Llancanelo "R" area, which includes

the right to make a matching offer if YPF receives any other offer. The detailed terms and conditions of the negotiation have not yet been defined.

3. *RIO CULLEN – LAS VIOLETAS – LA ANGOSTURA ASSETS*

Patagonia is acquiring a total 24.286% participating interest in the Rio Cullen, Las Violetas and La Angostura Assets as follows: (i) a direct 20.286% participating interest through the Roch Acquisition, and (ii) an indirect 4% participating interest through the Secra 96% Acquisition and the Secra 4% Acquisition.

4. *ANTICLINAL AGUADA BANDERA ASSET*

Patagonia is acquiring a total 75% indirect participating interest in the Anticlinal Agua Bandera Asset through the Quintana Acquisition.

5. *SUR RÍO DESEADO ESTE PRODUCTION ASSET*

Patagonia is acquiring a total 58.1408% participating interest in the Sur Río Deseado Este Production Asset as follows: (i) a direct 54.1408% participating interest through the Roch Acquisition, and (ii) an indirect 4% participating interest through the Secra 96% Acquisition and the Secra 4% Acquisition.

6. *SUR RÍO DESEADO ESTE EXPLORATION ASSET*

Patagonia is acquiring a total 52.4% participating interest in the Sur Río Deseado Este Exploration Asset as follows: (i) a direct 7.920% participating interest through the Roch Acquisition, (ii) an indirect 0.48% participating interest through the Secra 96% Acquisition and the Secra 4% Acquisition and the Quintana Acquisition, and (iii) an indirect 44% participating interest through the Quintana Acquisition.

7. *KM8 ASSETS*

Patagonia is acquiring from vendors, as described below, 100% of the Km8 Assets and 100% of the equity interests of the operator of the Km8 Assets.

8. *ESTANCIA LA MARIPOSA, LOMITA DE LA COSTA AND CERRO MANGRULLO*

Patagonia is acquiring an 18% indirect participating interest in the Estancia La Mariposa, Lomita de la Costa and Cerro Mangrullo Assets through the Alianza Petrolera Acquisition.

III. ACQUISITION TERMS

Total aggregate purchase price for the acquisitions consists of a purchase price of \$104.6 Million USD, additional payments to be made out of production revenues in the amount of \$12 Million USD and the agreement to complete work programs in the Llançanelo field for the amount of \$54 Million USD over three years.

For further information please contact:

PMI Resources Ltd.

David Farrell, Director

Tel: (604) 609-6110

E-mail: gkeep@fiorecorporation.com

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The securities of the Company have not been and will not be registered under the U.S. Securities Act of 1933, as amended, or under any state securities laws, and may not be offered, sold, directly or indirectly, or delivered within the United States of America and its territories and possessions or to, or for the account or benefit of, United States persons except in certain transactions exempt from the registration requirements of such Act and applicable state securities laws. This press release shall not constitute an offer to sell or a solicitation of an offer to buy securities in the United States.

Forward-Looking Information

Except for the statements of historical fact, this news release contains “forward-looking information” within the meaning of the applicable Canadian securities legislation that is based on expectations, estimates and projections as at the date of this news release. The information in this news release about the completion of the transaction described herein, and other forward-looking information includes but is not limited to information concerning the intentions, plans and future actions of the parties to the transactions described herein and the terms of such transaction.

Factors that could cause actual results to differ materially from those described in such forward-looking information include, but are not limited to, risks related to the Company’s or Patagonia’s inability to satisfy a condition precedent to the completion of the transaction (including obtaining necessary regulatory approvals), other risks related to completion of the transactions and risks related to the inability of either of the Company or Patagonia to perform their respective obligations under the transactions.

The forward-looking information in this news release reflects the current expectations, assumptions and/or beliefs of the Company based on information currently available to the Company. In connection with the forward-looking information contained in this news release, the Company has made assumptions about the Company’s ability to complete the transactions and Patagonia’s ability to complete the acquisition of the Assets. The Company has also assumed that no significant events will occur outside of the Company’s normal course of business. Although the Company believes that the assumptions inherent in the forward-looking information are reasonable, forward-looking information is not a guarantee of future performance and accordingly undue reliance should not be put on such information due to the inherent uncertainty therein.

Any forward-looking information speaks only as of the date on which it is made and, except as may be required by applicable securities laws, the Company disclaims any intent or obligation to update any forward-looking information, whether as a result of new information, future events or results or otherwise.