



February 18, 2020

News Release

TSX-V: PMR

DEBT SETTLEMENT UPDATE

Vancouver, B.C.: Prime Meridian Resources Corp. (“PMR” or the “Company”) (TSX-V: PMR) announces that, further to the Company’s proposed Shares for Debt (News Release of December 4, 2019) and subject to approvals from the TSX Venture Exchange, the Company has been working to settle for shares or extend the term of the existing debt and liabilities on its Balance Sheet to better position the Company for raising capital through the issuance of equity. The following is an update of that process:

- Certain management of the Company have elected to cancel \$1.0 million in accrued liabilities owing to them and recorded in the Audited Balance Sheet to measurably reduce the number of shares issued under the proposed Shares for Debt. These same principals have been the largest equity investors since taking management control of the Company. These principals through their capital company invested a further \$200,000 into the private placement which closed on July 25, 2019. Also, these principals will be exchanging their residual debts (after writing off the \$1.0 million) into the Shares for Debt subject to TSXV Exchange approval. These steps demonstrate management’s long-term commitment to the Company.
- The Company agreed to a voluntary consent judgement effective February 15, 2020 with Domus Management Ltd. (“Domus”). The Domus debt pre-dated the current management taking control of the Company and was transferred to Domus on or around May 1st, 2018 by Primrose Drilling Ventures Ltd. (“Primrose”) for the sum of \$10 according to an agreement provided to the Company by counsel for Domus. Primrose is believed by management to still be the largest shareholder of PMR. A current or former principal of Primrose was a director of PMR before the current management took control of the Company. A proposal was made to Domus to participate in the announced Shares for Debt and Domus has declined the proposal. Management of PMR will continue to work to negotiate an equitable settlement of the Domus debt. As recently as late 2019, the Company had been advised by counsel for Domus that Domus would take a discounted cash payment for the Domus debt. As per the Company’s Financial Statements, the Company owed \$676,558/US\$510,288 in principal and \$67,656/US\$51,088 in interest payable to Domus as of September 30, 2019.
- The Company is also proposing an alternative to the Shares for Debt for certain long-term loan holders through a proposed two-year term loan on those outstanding loans with interest set at 10% payable annually with principal repayable at the option of the Company at any time during the two-year term. The Company is also negotiating with these parties to have their accrued interest included in the Shares for Debt.

- Other creditors with accrued liabilities on the Balance Sheet will be offered the Shares for Debt subject to their ability to take same.

The proposed Shares for Debt will be priced at \$0.10. All share issuances as discussed above would be subject to TSXV Exchange approvals and to a four-month hold period.

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

"Brian Leeners"

**Brian Leeners, CEO & Director
604-862-4184**

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.