

# Athabasca Minerals Announces Strategic U.S. Asset Acquisition and Private Placement

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Calgary, December 1, 2021 - [Athabasca Minerals Inc.](#) (TSXV: AMI) ("AMI" or the "Corporation") - announces it has entered into a Definitive Agreement (the "Strategic Acquisition") for the acquisition of strategic sand assets ("Strategic Assets") located in the United States from an independent, arms-length vendor. In support of the Strategic Acquisition, JMAC Resources Limited ("JMAC Resources") has agreed to purchase 7,375,000 AMI common shares ("Shares") at a price of \$0.20 per Share for gross proceeds of C\$1,475,000 in a non-brokered Private Placement ("Private Placement", which together with the Strategic Acquisition are referred to in this press release as the "Transactions").

The Strategic Acquisition will be completed by AMI Silica LLC ("AMI Silica"), a 50%-owned subsidiary of the Corporation. The other 50% of AMI Silica is owned by JMAC Energy Services LLC ("JMAC Energy"). Both JMAC Resources and JMAC Energy are controlled by Jon McCreary, a director of the Corporation. Accordingly, upon closing of the Strategic Acquisition, each of AMI and Jon McCreary will hold an indirect 50% interest in the Strategic Assets.

The Strategic Assets are comprised of real-estate, an operational sand mine and processing plant capable of up to two million tons production per year, fixed storage, two rail transloads (including unit-train capability), mobile equipment, and active supply chain contracts including rail cars, for cash consideration of US\$1 million (approximately C\$1.2 million) and the assumption of reclamation liabilities of approximately US\$6.4 million. AMI management believes that the Strategic Acquisition will be a step forward for AMI Silica which is currently managing the Strategic Assets under an operations agreement, and which is cash-flowing and serving customers with product in Canada and the United States. All proceeds from the Private Placement will be used to fund the cash consideration and closing costs for the Strategic Acquisition.

Robert Beekhuizen, Chief Executive Officer, states: "This Strategic Acquisition is part of the Corporation's planned growth and will expand AMI's portfolio to include both US and Canadian resources and assets and will bring a new source of revenue to AMI. We see this targeted acquisition as a strategic bookend complementing AMI's Prosvita Sand Project in Alberta. It has a proven supply chain with a history of product delivery to destinations across Alberta, British Columbia and select locations in the United States. We are very familiar with the assets being acquired, having had hands-on experience successfully managing and operating them for the past 5 months. We're fully staffed and ready for a smooth transition, and excited to on-board new team members to the AMI family. We also look forward to serving our customers and community stakeholders with excellence and integrity."

JMAC Resources currently has beneficial ownership of, or control or direction over, 7,930,323 Shares, which represents approximately 11.4% of all issued and outstanding Shares. Following the Private Placement, JMAC Resources' beneficial ownership of, or control or direction over, will be 15,305,323 common shares, representing approximately 19.9% of all issued and outstanding Shares.

While the Strategic Acquisition will be between the Corporation, AMI Silica and a vendor that is at arm's length to each of AMI, AMI Silica, JMAC Resources, JMAC Energy and Jon McCreary, the Transactions are collectively considered a "related party transaction" pursuant to Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transaction ("MI 61-101") as a result of, among other things, Jon McCreary's interests in AMI, AMI Silica, JMAC Resources and JMAC Energy. The Corporation is exempt from the requirement to obtain a formal valuation or minority shareholder approval in connection with the Transactions on the basis of reliance on the exemptions set out in Sections 5.5(a) and 5.7(1)(a) of MI 61-101, respectively, as neither the fair market value of the subject matter of, nor the fair market value of the consideration for, the Transactions (on an aggregated basis), insofar as the Transactions involve interested parties, exceeds 25 per cent of the Corporation's market capitalization.

All securities issued in connection with the Private Placement will be subject to a statutory four-month and

one-day hold period under applicable Canadian securities laws. The Transactions remain subject to receipt of all necessary regulatory and other approvals, including the final approval of the TSX Venture Exchange. Any securities issued have not been and will not be registered under the United States Securities Act of 1933, as amended (the "U.S. Securities Act") or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

#### About Athabasca Minerals Inc.

Athabasca Minerals is an integrated group of companies capable of full life-cycle development and supply of aggregates and industrial minerals. The Corporation is comprised of the following business units:

- AMI Aggregates division produces and sells aggregates out of its corporate pits and manages the Coffey Lake Public Pit on behalf of the Government of Alberta.
- AMI Silica division ([www.amisilica.com](http://www.amisilica.com)) is positioning to become a leading supplier of premium domestic silica sand with regional deposits located in Alberta and North-East BC and holds a 5-year purchase agreement with Shell Canada for the supply of proppant.
  - Privco1 & Privco2 are private Alberta corporations acquired by AMI with premium domestic sand holdings strategically located with respect to the Montney and Duvernay sedimentary basins. Privco2 supports the 'Prosvita Sand Project' (formerly called the Duvernay Sand Project) and AMI's development application for regulatory approval. The Prosvita Sand Project has engaged the business interest of an international corporation offering industrial synergies (power, utilities, industrial water, rail, environmental green benefits) and with whom negotiations are ongoing.
- AMI RockChain division ([www.amirockchain.com](http://www.amirockchain.com)) is a midstream, technology-enabled business that deploys its proprietary RockChain® digital platform, associated industry econometrics, supply-chain algorithms, quality-assurance & safety programs to bring customers integrated supply-delivery solutions of industrial minerals to industry, infrastructure and construction sectors.
  - TerraShift Engineering ([www.terrashift.ca](http://www.terrashift.ca)) was acquired by AMI RockChain in June 2020. TerraShift conducts resource exploration & development programs, regulatory engineering, mine operations planning, environmental reclamation and remediation, and compliance reporting for a growing customer base across Western Canada and Ontario. TerraShift is also the developer of its proprietary TerraMaps® software.

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Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

#### FORWARD LOOKING STATEMENTS

This news release contains certain statements or disclosures relating to Athabasca that are based on the expectations of its management as well as assumptions made by and information currently available to Athabasca which may constitute forward-looking statements or information ("forward-looking statements") under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results or developments that Athabasca anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by the use of the words: "believe", "forward", "opportunity", "plan", "will" and similar expressions.

In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: the Transactions; the assets acquired pursuant to the Strategic Acquisition; the benefits of the Transactions; the Corporation's assets and operations; the use of proceeds from the Private Placement; AMI Silica; and JMAC Resources' Shares as a result of the Private Placement.

The forward-looking statements contained in this news release reflect several material factors and

expectations and assumptions of Athabasca including, without limitation: that Athabasca will continue to conduct its operations in a manner consistent with past operations; the general continuance of current or, where applicable, assumed industry conditions; availability of debt and/or equity sources to fund Athabasca's capital and operating requirements as needed; and certain cost assumptions.

Athabasca believes the material factors, expectations and assumptions reflected in the forward-looking statements are reasonable at this time but no assurance can be given that these factors, expectations and assumptions will prove to be correct. The forward-looking statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation: a significant expansion in COVID-19 restricting or prohibiting the operation of the Athabasca's operations or supply chain; global oil prices; development and production in the Western Canadian Sedimentary Basin; general economic, market and business conditions including those in the event of an epidemic, natural disaster or other event; Athabasca may be unable to resolve mechanical or operational issues in the timelines anticipated, in the manner anticipated or at all; increased costs and expenses; reliance on industry partners required regulatory approvals; exercise of any termination rights in connection with the Transactions; meeting other conditions in respect of the Transactions; incorrect assessment of the value of the Strategic Acquisition; failure to complete or realize the anticipated benefits of the Strategic Acquisition; ability to access sufficient capital from internal and external sources; changes in legislation, including but not limited to tax laws, production curtailment, royalties and environmental regulations and certain other risks detailed from time to time in Athabasca's public disclosure documents including, without limitation, those risks identified in Athabasca's annual information form, which is available on Athabasca's SEDAR profile at [www.sedar.com](http://www.sedar.com). Moreover, the duration and impact of the COVID-19 pandemic is unknown at this time and it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation. Readers are cautioned that the foregoing list of factors is not exhaustive and are cautioned not to place undue reliance on these forward-looking statements.

The forward-looking statements contained in this news release are made as of the date hereof and the Corporation undertakes no obligation to update publicly or revise any forward-looking statements, whether as a result of new information, future events or otherwise, unless so required by applicable securities law.

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