

Athabasca Minerals Inc. Announces Termination of the Arrangement Agreement with JMAC Energy Services LLC, Resignation of Jon McCreary as Director, Notice of Intention to Make a Proposal and Filing of Restated Financial Statements

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Edmonton, November 14, 2023 - [Athabasca Minerals Inc.](#) (TSXV: AMI) ("Athabasca" or the "Corporation") announces the termination of the arrangement agreement dated September 20, 2023 between JMAC Energy Services LLC ("JMAC") and Athabasca (the "Arrangement Agreement"), resignation of Jon McCreary as director of the Corporation, the filing of a Notice of Intention ("Notice of Intention") to Make a Proposal to its creditors under the provision of Part III, Division of the Bankruptcy and Insolvency Act (Canada) (the "BIA") and filing of restated financial statements.

TERMINATION OF ARRANGEMENT AGREEMENT

The sole manager of JMAC has provided the Corporation with a notice terminating the Arrangement Agreement (the "NoT"), as a result of the conditions set out in Section 6.2(b) and Section 6.2(c) of the Arrangement Agreement being incapable of being satisfied by the Outside Date (as defined in the Arrangement Agreement) in connection with and as evidenced by the Amendment and Restatement of the Financial Statements as set out below. Concurrently with the NoT, Jon McCreary submitted his resignation as director to the Corporation, and the current board of directors of the Corporation (the "Board") being Don Paulencu and Dale Nolan, have accepted his resignation.

Accordingly, the Corporation will no longer proceed with the special meeting of the securityholders and its application for a final order of the Court of King's Bench of Alberta. The Corporation will continue to explore and evaluate a full range of potential strategic alternatives in order for the Corporation to continue as a going concern which includes the repayment of the Corporation's C\$2.0 million Non-Revolver Term Loan Agreement between JMAC and Athabasca which matures on November 30, 2023 and other debt obligations. There can be no assurance that the exploration of strategic alternatives will result in a transaction necessary for the Corporation to continue as a going concern.

NOTICE OF INTENTION TO MAKE A PROPOSAL

The Corporation has filed a Notice of Intention to its creditors under the BIA. Pursuant to the Notice of Intention, KSV Restructuring Inc. has been appointed as the trustee in the Corporation's proposal proceedings and will assist the Corporation in its restructuring efforts.

The decision to file the Notice of Intention was made by the Board after extensive discussions following receipt of the NoT in order to ensure that Athabasca can continue as a going concern. While under BIA protection, the Corporation will continue with its efforts to pursue strategic alternatives, including restructuring its existing debt obligations.

A Notice of Intention is the first stage of a restructuring process under the BIA, which permits the Corporation to pursue a restructuring of its financial affairs, through a formal proposal process. The filing of the Notice of Intention will have the effect of imposing an automatic stay of proceedings ("Stay") that will protect the Corporation and its assets from the claims of creditors while the Corporation pursues this objective. The initial Stay period of 30 days can be extended by court order, during which time the Corporation will assess

its ability to present a viable proposal to its creditors. There can be no assurance that the current process will result in a transaction or, if a transaction is undertaken, that it will be successfully concluded in a timely manner or at all.

Due to the above-mentioned filing, the Corporation has been informed by the TSX Venture Exchange (the "TSX-V") that trading of Athabasca common shares (the "Athabasca Shares") will be suspended until such a time as the Corporation is in compliance with the TSX-V continued listing requirements (the "Continued Listing Requirements"). There is no certainty as to timing or likelihood that the Athabasca Shares will recommence trading on the TSX-V, and the Athabasca Shares could be transferred to the NEX Board, a subsidiary board of the TSX-V, if the Continued Listing Requirements are not met.

The Corporation will provide further updates as to the next steps of the process when these have been determined.

AMENDMENT AND RESTATEMENT OF FINANCIAL STATEMENTS

Further to the announcement on October 30, 2023, the Corporation has filed amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021 ("Annual Financial Statements") and the associated Management's Discussion & Analysis ("MD&A"), as well as the amended and restated unaudited interim condensed consolidated financial statements and the associated MD&A as of June 30, 2023 and for the three and six month periods ended June 30, 2023 and 2022 (together with the Annual Financial Statements, the "Consolidated Financial Statements").

The Corporation has determined that the investment in the AMI Silica LLC joint arrangement, entered into in 2021, was incorrectly accounted for as a joint operation rather than a joint venture in the Consolidated Financial Statements.

A joint operator shall account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the International Financial Reporting Standards applicable to the particular assets, liabilities, revenues and expenses whereas a joint venturer shall recognise its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures.

This restatement resulted in 2022 net income reduction by \$0.3 million (\$0.004/share basic and diluted) and a \$32.3 million reduction in total assets and a \$31.6 million reduction in total liabilities.

The Consolidated Financial Statements and the associated MD&A's are available on SEDAR+ under Athabasca's profile at www.sedarplus.ca.

About Athabasca Minerals Inc.

Athabasca is an integrated industrial minerals company focused on the production and delivery of frac sand to Canada and the United States. Athabasca also operates aggregate operations in Western Canada and maintains the largest platform for buying, selling, and transporting of aggregates through its 100% owned technology platform, AMI RockChain.

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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 "can", "continue", "could", "ensure", "intend", "permits", "pursues", "will" and similar expressions. In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: the effects of the Corporation's restructuring process, benefits and timing thereof; the Corporation's strategic alternatives process; the Corporation's operational position, potential, growth, success, commitments and strategy; the Corporation's ability to continue as a going concern; the Board composition; the trading of the Athabasca Shares; the Corporation's ability to meet the Listing Requirements; and the transfer of the Athabasca Shares to the NEX Board.

The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of Athabasca including, without limitation: that costs, expenses, and inflationary pressures faced by Athabasca will not continue; availability of debt and/or equity sources to fund Athabasca's capital and operating requirements as needed; certain cost assumptions; Athabasca will continue to conduct its operations in a manner consistent with past operations; that Athabasca's capital resources will be sufficient to meet its forecasted and budgeted expenses and that such expenses will not exceed the level of capital resources available; the ability of Athabasca to obtain and retain qualified staff, equipment, and services in a timely and cost efficient manner; continuity in the management of Athabasca; and the general continuance of current or, where applicable, assumed industry conditions.

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: the required regulatory approvals; general economic, market, and business conditions; shareholder value may not be maximized in the manner suggested by Athabasca or at all; 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; that Athabasca will have sufficient working capital to meet its existing contractual obligations, including without limitation certain production commitments that may limit Athabasca's ability to ensure operations are profitable and operational requirements; future co-operation of the creditors of Athabasca and the ongoing willingness of its lenders to provide funds to Athabasca; the ability to maintain relationships with suppliers, customers, employees, shareholders, and other third parties in light of Athabasca's current liquidity situation; and certain other risks detailed from time to time in Athabasca's public disclosure documents including, without limitation, those risks identified in this news release and in Athabasca's annual information form dated April 28, 2022, copies of which are available on Athabasca's SEDAR+ profile at www.sedarplus.ca. 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 Athabasca undertakes no obligations 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 laws.

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