

Athabasca Minerals Inc. Announces Q3 - 2023 Financial Results, Resignation of Donald Paulencu as Director and Chairman, and Update on Notice of Intention Process

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Edmonton, November 29, 2023 - [Athabasca Minerals Inc.](#) (TSXV: AMI) ("Athabasca" or the "Corporation") reports its financial and operating results for the three and nine months ended September 30, 2023 ("Interim Financial Statements") along with the associated Management's Discussion & Analysis ("MD&A"). Athabasca also announces that Mr. Donald Paulencu has tendered his resignation as Director and Chairman of the Corporation.

THIRD QUARTER FINANCIAL UPDATE

The financial results for the three and nine months ended September 30, 2023 reflect the amendment and restatement of the 2021 and 2022 financial year ends announced on November 14, 2023. The Corporation has determined that the investment in the AMI Silica LLC joint arrangement ("Silica LLC") should be accounted for as a joint venture. The result of this amendment is that revenue, liabilities, assets and expenses, associated with Silica LLC, are now reflected as an investment on the Corporation's balance sheet.

THIRD QUARTER BUSINESS HIGHLIGHTS

Athabasca Minerals reports the following key financial highlights for Q3 2023, the three and nine months ended September 30, 2023:

- Consolidated revenue, net of royalties for the three months ended September 30, 2023 was \$0.3 million versus restated consolidated revenues, net of royalties, of \$4.6 million for the three months ended September 30, 2022. The decrease in 2023 was due to lower revenues in RockChain offset by increased aggregate sales from Coffey Lake. Consolidated revenue, net of royalties for the nine months ended September 30, 2023 was \$2.0 million versus restated consolidated revenues, net of royalties of \$10.4 million for 2022 with the decrease caused by decreased revenues in RockChain and the Aggregates business.
- An operating loss of \$1.0 million in Q3-2023 versus a restated operating loss of \$1.1 million in Q3-2022. While gross profit was higher in 2023, general and administrative expenses were higher as well. An operating loss of \$3.1 million for the nine months ended September 30, 2023 versus a restated operating loss of \$6.1 million for the nine months ended September 30, 2022. The operating loss in 2023 was due to lower aggregate revenues and increased general and administrative expenses. The 2022 restated operating loss was due mainly to significant severance expenses and large write-downs which included inventory, contract costs and resource properties.
- For the three months ended September 30, 2023, the Corporation reported a net loss of \$2.6 million versus a restated net loss of \$0.7 million for the three months ended September 30, 2022. The net loss in 2023 was caused mainly by a \$1.4 million share of loss from the AMI Silica LLC joint venture. For the nine months ended September 30, 2023, the Corporation reported a net loss of \$5.1 million versus restated net income of \$16.9 million for the nine months ended September 30, 2022.
- For the three months ended September 30, 2023, on a per share basis, net loss was \$0.034/share basic and diluted versus a restated net loss of \$0.008/share basic and diluted for the three months ended September 30, 2022. For the nine months ended September 30, 2023, on a per share basis, net loss was \$0.065/share basic and diluted versus restated net income of \$0.217/share basic and \$0.214/share diluted for the nine months ended September 30, 2022.

- On October 30, 2023, the Corporation executed a settlement agreement and mutual release (the "Agreement") with an independent, arm's length supplier (the "Supplier"). The Agreement, valued at \$375,000, is the result of extensive negotiations between the Corporation and the Supplier and is aimed at resolving outstanding financial obligations. As part of the Agreement, the Corporation will transfer ownership of five non-core and non-cash generating resource properties, namely Cowper, Emerson, Hargwen, Pelican, and Poplar Creek North, to the Supplier. In addition to the asset transfer, the Corporation will make a one-time payment of \$60,000 to the Supplier. The Corporation estimates a gain of about \$175,000 will be recognized on this transaction.

CORPORATE UPDATE

On November 14, 2023 the Corporation elected to proactively and voluntarily file for a Notice of Intention ("NOI") to make a proposal pursuant to provisions of the Bankruptcy and Insolvency Act (Canada). The filing of the NOI had the effect of imposing an automatic 30-day stay of proceedings that will protect the Corporation and its assets from the claims of creditors while the Corporation pursues restructuring efforts. This 30-day period may be extended with the authorization of the Alberta Court of King's Bench and the Corporation intends to seek such extension. The Corporation will continue to provide further updates as developments occur.

The Corporation announces that, effective November 21, 2023, it has accepted the resignation of Donald Paulencu as Chairman and Director of the Board. Mr. Paulencu was appointed to the Board of Directors in 2015 and has served in his role with dedication and commitment to the Corporation and we wish him all the best in his future endeavors. The Corporation will be identifying and evaluating alternatives with respect to the appointment of new independent directors to fill the recent vacancies.

ABOUT ATHABASCA MINERALS INC.

Athabasca Minerals 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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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 "estimates", "should", "pursues", "may", "intends", "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 identification and evaluation of new independent directors; and the Corporation's operational position, potential, growth, success, commitments and strategy.

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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