

Athabasca Minerals Announces Agreement for Disposition of Non-Core Assets and Amended Loan Agreement

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Edmonton, June 30, 2023 - [Athabasca Minerals Inc.](#) (TSXV: AMI) ("AMI" or the "Corporation") announced today that it has executed and closed a definitive sale agreement (the "Sale Agreement") with an independent, arm's length purchaser, to divest of certain non-core assets within the aggregates division (the "Disposition" and "Disposed Assets") for total cash consideration of C\$3.2 million, before normal closing adjustments. The Sale Agreement had a closing date of June 27, 2023 and there are no finder's fee associated with the transaction.

The Disposition includes the sale of five (5) surface mineral leases, including Coffey Lake, the Warrensville South and North properties, two inventory stockpiles, one metallic and industrial minerals lease, and equipment associated with select pits. The Disposed Assets represent less than 5% of the Corporation's total asset holdings and would require ongoing capital expenditures to support their current growth profiles. The total cash consideration of \$3.2 million includes an initial payment of \$2.9 million upon closing with \$300,000 in holdbacks. \$200,000 will be held and then released upon the full assignment and transfer of the leases and an additional \$100,000 will be held pending the completion of outstanding regulatory obligations on one of the leases. In addition to the cash consideration, the Disposition is expected to have a positive effect on the Corporation's working capital as it is anticipated to remove significant environmental reclamation obligation liabilities as well as release over \$700,000 in cash deposits that are currently held for these resource properties.

"The Disposition of these non-core assets is consistent with the strategic realignment and restructuring previously announced by the Corporation. This transaction allows us to divest of mainly non-operated assets and will allow the Corporation to focus on its core business, that is the production and sale of premium silica sand. In addition to the cash proceeds from the Disposition, the Corporation will also receive significant reimbursement of cash deposits which will help support our corporate working capital requirements as we continue to assess strategic alternatives for the Corporation," said Dana Archibald, Chief Executive Officer.

The Corporation also announced it entered into an amended credit agreement ("First Amending Agreement") for the amendment of the secured bridge loan of \$2,000,000 (the "Loan") from JMAC Energy Services LLC ("JMAC"), as previously announced and entered into on February 28, 2023.

The First Amending Agreement amends the Loan to bear interest at a rate of 14% per annum, provided that the interest rate increases to 20% per annum if there is an event of default. The Loan will mature on October 31, 2023, but may be prepaid in whole or in part at any time with not less than five (5) days prior notice. No bonus securities will be issued in connection with the First Amending Agreement.

JMAC is a related party to Athabasca, as JMAC is controlled by Jon McCreary who is a director of Athabasca, and, as such, the Loan is a "related party transaction" within the meaning of Multilateral Instrument 61-101 - Protection of Minority Security Holders in Special Transactions ("MI 61-101"). Athabasca is relying on an exemption from the formal valuation and minority approval provisions of MI 61-101 pursuant to sections 5.5(b) and 5.7(f) thereof, respectively.

These transactions remain subject to receipt of all necessary regulatory and other approvals, including the final approval of the TSX Venture Exchange.

ABOUT ATHABASCA MINERALS INC.

The Corporation is an integrated industrial minerals company focused on the production and delivery of frac

sand to Canada and the United States. The Corporation 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 "anticipated", "expected", "continue", "may", "will" and similar expressions. In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: terms of the Loan; Athabasca's strategic refocusing, management initiatives and working capital; and Athabasca's operations and ability to renew, extend or repay the Loan.

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 the Loan will be sufficient to meet Athabasca's forecasted and budgeted expenses and that such expenses will not exceed the level of financing received; 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: general economic, market, and business conditions; Athabasca's ability to find alternative financing sources in respect of the Loan may not occur on the timelines anticipated 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 under the Loan and the shareholder loans 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.sedar.com. 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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