

Athabasca Minerals Announces CDN\$2,000,000 Bridge Loan and Provides Financial Update

Edmonton, Alberta--(Newsfile Corp. - February 28, 2023) - Athabasca Minerals Inc. (TSXV: AMI) ("**Athabasca**" or the "**Corporation**") announces that it has obtained a secured bridge loan of CDN \$2,000,000 (the "**Loan**") from JMAC Energy Services LLC ("**JMAC**"). Athabasca will use the proceeds of the Loan to repay its existing term loan with Canadian Western Bank ("**CWB Loan**") and for general working capital purposes.

The Loan will bear interest at a rate of 12% per annum, provided that the interest rate will increase to 18% per annum if there is an event of default. The Loan will mature on June 30, 2023, but may be prepaid in full at any time following April 30, 2023. Additionally, the Loan will be secured by a first priority security interest over all of the assets of Athabasca and its Canadian subsidiaries following the discharge of the CWB Loan.

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.

The Loan was obtained on reasonable commercial terms that are not less advantageous to Athabasca than if the Loan was obtained from a person dealing at arm's length with Athabasca and Athabasca's board of directors (other than Mr. McCreary) have approved the Loan. The Loan and interest are not convertible, or repayable, directly or indirectly, in equity or voting securities of Athabasca or any of its subsidiaries or otherwise participating in nature.

The Loan is in addition to certain shareholder loans that were amended and restated on December 31, 2022 to provide for an extension of the maturity date to April 1, 2024 and an increase in the interest rate from 12% to 14% (the "**Shareholder Loans**"). The total amount of the Shareholder Loans now outstanding is \$2,400,000.

Athabasca has been significantly impacted by economic conditions and the loss of revenue experienced by its Canadian aggregates operations. This, coupled with legacy administrative overheads and business lines, has placed stress on Athabasca's cash flow while Athabasca's U.S. operations, through AMI Silica LLC, and associated working capital requirements have grown to meet increased demand in that market. Consequently, Athabasca has operated under increasing financial pressure. Given the Corporation's financial position, Athabasca will continue pursuing a strategic refocusing of its business to streamline initiatives, create efficiencies, and to build on increasing customer demand for its Wisconsin sand. The senior leadership team will continue to develop strategic sales outlets for its sand and the expansion of its Hixton operations. The Corporation required the Loan to fund working capital to provide Athabasca with the ability to pursue its strategic refocusing while supporting its Canadian operations.

At the present time, given the short-term nature of the Loan, there are material uncertainties that could impact Athabasca's ability to continue as a going concern. The successful future operations of Athabasca are dependent on Athabasca's ability to renew or extend the Loan, generate sufficient funds through operations or secure funds through other external sources to pay off some or all of the Loan as it becomes due.

Athabasca is not in a position to file a material change report at least 21 days before the advance of the

Loan and Athabasca considers the shorter period to be reasonable and necessary in the circumstances to permit Athabasca to have access to the proceeds of the Loan as soon as commercially feasible in order to provide additional liquidity to Athabasca in a timely manner.

The Loan remains subject to receipt of all necessary regulatory and other approvals, including the final approval of the TSX Venture Exchange.

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 "continue", "future", "may", "will" and similar expressions. In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: use of proceeds of the Loan; 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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