



**NOTICE OF
SPECIAL MEETING OF SECURITYHOLDERS
TO BE HELD ON NOVEMBER 3, 2023**

and

**NOTICE OF ORIGINATING APPLICATION
TO THE COURT OF KING'S BENCH OF ALBERTA**

and

INFORMATION CIRCULAR AND PROXY STATEMENT

OF

ATHABASCA MINERALS INC.

RELATING TO

A PROPOSED PLAN OF ARRANGEMENT INVOLVING

ATHABASCA MINERALS INC. AND JMAC ENERGY SERVICES LLC

OCTOBER 4, 2023

The Board of Directors of Athabasca Minerals Inc. UNANIMOUSLY recommends that Athabasca Securityholders vote FOR the Arrangement Resolution

These materials are important and require your immediate attention. They require shareholders and optionholders of Athabasca Minerals Inc. ("Athabasca") to make important decisions. If you are in doubt as to how to make such decisions, please contact your financial, legal, tax or other professional advisors. If you have any questions or require more information with respect to voting your common shares or options of Athabasca, please contact: (i) Athabasca by email at info@athabascaminerals.com, Attention: Investor Relations; or (ii) TSX Trust Company at 1-866-600-5869 (toll free) or by email at tsxtis@tmx.com.

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October 4, 2023

Dear Shareholders and Optionholders:

The board of directors of Athabasca Minerals Inc. ("**Athabasca**") invites you to attend a special meeting (the "**Meeting**") of the holders (the "**Athabasca Shareholders**") of common shares ("**Athabasca Shares**") and holders (the "**Athabasca Optionholders**", and, together with the Athabasca Shareholders, the "**Athabasca Securityholders**"), of options to purchase Athabasca Shares ("**Athabasca Options**"), called pursuant to an interim order of the Court of King's Bench of Alberta (the "**Court**"), to be held at 10:00 a.m. (Calgary time) on November 3, 2023 at the Conference Centre of First Canadian Centre, located at 350 – 7th Avenue S.W. Calgary, Alberta T2P 3N9.

At the Meeting, Athabasca Securityholders will be asked to consider and, if thought appropriate, approve a special resolution (the "**Arrangement Resolution**") in respect of an arrangement (the "**Arrangement**") to effect a going private transaction of Athabasca pursuant to which JMAC Energy Services LLC ("**AcquireCo**") will acquire all of the issued and outstanding Athabasca Shares held by Athabasca Shareholders, other than Athabasca Shares already owned or controlled by AcquireCo or persons or entities related to AcquireCo, in exchange for cash consideration of \$0.145 per Athabasca Share, all in accordance with the terms of the arrangement agreement dated September 20, 2023 (the "**Arrangement Agreement**") between Athabasca and AcquireCo.

Further details on the Arrangement can be found in the information circular and proxy statement accompanying this letter (the "**Circular**") (see "*The Arrangement*" and "*The Arrangement Agreement*" in the Circular).

AcquireCo was formed under the laws of the State of Delaware, at the control and direction of a "related party" of Athabasca, being, Jon McCreary, a director of Athabasca. As such, the Arrangement constitutes a "business combination" pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("**MI 61-101**") under which approval of a simple majority of Athabasca Shareholders is required, after excluding the votes cast by persons whose votes may not be included in determining minority approval pursuant to MI 61-101.

A special committee of independent directors of Athabasca (the "**Special Committee**") has, with the assistance and guidance of its legal and financial advisors, considered the Arrangement and supervised negotiation of the Arrangement Agreement.

Evans & Evans, Inc. ("**Evans & Evans**") provided Athabasca with an opinion to the effect that, as at September 20, 2023 and subject to the assumptions, limitations and qualifications set forth therein, the \$0.145 per Athabasca Share cash consideration to be paid to the Athabasca Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Athabasca Shareholders.

The complete text of Evans & Evans' fairness opinion is attached to the Circular as Appendix E.

The board of directors of Athabasca, after consulting with its advisors, and after careful consideration of, among other things, the fairness opinion prepared by Evans & Evans and the unanimous recommendation of the Special Committee, has unanimously (excluding directors that have abstained from voting in accordance with Section 120 of the *Business Corporations Act* (Alberta)) determined that the Arrangement and the entering into of the Arrangement Agreement are in the best interests of Athabasca, and unanimously (excluding directors that have abstained from voting in accordance with Section 120 of the *Business Corporations Act* (Alberta)) recommends that Athabasca Securityholders vote in favour of the Arrangement Resolution.

The Board of Directors of Athabasca Minerals Inc. unanimously recommends that you vote FOR the Arrangement Resolution.
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In order to proceed, the Arrangement Resolution must be approved by not less than:

1. 66⅔% of the votes cast by all Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat;
2. 66⅔% of the votes cast by all Athabasca Securityholders (voting as a single class), present in person or represented by proxy at the Meeting and entitled to vote thereat; and
3. a majority of the votes cast by Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat, after excluding the votes cast by persons whose votes may not be included in determining minority approval pursuant to MI 61-101.

The members of the board of directors of Athabasca intend to vote their Athabasca Shares and Athabasca Options, as applicable, FOR the Arrangement Resolution.

See “*The Arrangement – Vote Required to Approve the Arrangement*” and “*The Arrangement – Business Combination under MI 61-101 – Minority Approval Requirements*” in the Circular.

Holders of approximately 23.8% of the outstanding Athabasca Shares and 56.2% of the outstanding Athabasca Options (which include all of the directors and executive officers of Athabasca and their associates and affiliates) have entered into Support Agreements with AcquireCo pursuant to which they have agreed, on the terms and conditions specified therein, to vote all of their Athabasca Shares and Athabasca Options, as applicable, FOR the Arrangement Resolution.

For additional details, see “*Background to the Arrangement*”, “*Reasons for the Arrangement*”, “*The Arrangement – Support Agreements*” and “*Fairness Opinion and Financial Advisor*” in the Circular.

Subject to receiving the above approvals of the Athabasca Securityholders and the final approval of the Arrangement by the Court, and subject to the satisfaction or waiver of the other conditions to completion of the Arrangement, the Arrangement is currently anticipated to be completed on or about November 9, 2023.

Included with this letter is a Notice of Meeting of Securityholders, Notice of Originating Application to the Court, Athabasca Securityholder Q&A and the Circular. The Circular contains a detailed description of the Arrangement, the background to and reasons for the Arrangement and the Arrangement Resolution. A copy of the Arrangement Agreement, including the Plan of Arrangement, is attached as Appendix B to the Circular. **We encourage you to consider carefully all of the information in the Circular. If you require assistance, you should consult your financial, legal or other professional advisors.**

Also included with this letter is a form of proxy for use by Athabasca Securityholders. It is important that your Athabasca Shares and Athabasca Options be represented at the Meeting. Whether or not you intend to attend the Meeting, you are requested to complete, sign, date and return the enclosed form of proxy. To be valid, proxies must be signed and deposited with TSX Trust Company: (i) by mail to TSX Trust Company, 301 – 100 Adelaide Street West, Toronto ON M5H 4H1; (ii) by hand delivery to TSX Trust Company, 301 – 100 Adelaide Street West, Toronto ON M5H 4H1; or (iii) by internet at www.voteproxyonline.com at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment or postponement thereof. Notwithstanding the foregoing, the chairman of the Meeting may, in his sole discretion, at the Meeting, elect to waive the requirement that proxies must be deposited prior to the time specified in such notice and accept any and all proxies deposited at or before the time of the Meeting or any adjournment thereof. You will require your control number found on the form of proxy in order to vote by internet. A person appointed as a proxyholder need not be an Athabasca Securityholder. If you are a registered Athabasca Securityholder on the Meeting date, voting by proxy will not prevent you from voting in person if you choose to attend the Meeting, but will ensure that your vote will be counted if you are unable to attend. An Athabasca Securityholder who has given a proxy may revoke it in the manner set out in the Circular.

Athabasca Securityholders who hold their Athabasca Shares through a nominee such as a broker, an intermediary, a trustee or other person, or who otherwise do not hold their Athabasca Shares in their own name (referred to as

“**Beneficial Shareholders**”) should note that only proxies deposited by registered holders of Athabasca Shares will be recognized and acted upon at the Meeting. If your Athabasca Shares are listed in an account statement provided to you by a broker, those Athabasca Shares will, in all likelihood, not be registered in your name. The majority of brokers now delegate responsibility for obtaining instructions from clients to Broadridge Financial Solutions, Inc. (“**Broadridge**”). Broadridge typically prepares a voting instruction form (“**VIF**”) and mails the VIF to the Beneficial Shareholders with instructions on how and when to complete the VIF. Beneficial Shareholders should refer to, and carefully read, the sections entitled “*Advice to Beneficial Athabasca Shareholders*” in the Circular and “*Q&A on the Arrangement, Voting and Solicitation of Proxies*”, as well as the voting instructions contained in the VIF provided by Broadridge.

This letter is also accompanied by a letter of transmittal that contains instructions on how to deliver your Athabasca Shares in exchange for the consideration payable under the Arrangement. Athabasca Shareholders will only be entitled to receive cash consideration under the Arrangement for Athabasca Shares that are issued and outstanding on the closing date of the Arrangement. You will not receive any cash consideration under the Arrangement unless and until the Arrangement is completed and you have returned the validly completed and duly signed documents to TSX Trust Company at the applicable address set out in the letter of transmittal. **If you are a Beneficial Shareholder and hold your Athabasca Shares through a nominee such as a broker or dealer, you should carefully follow any instructions provided to you by such nominee.**

If you are an Athabasca Optionholder, you do not need to deliver the letter of transmittal or any other certificates or documentation in order to receive the applicable consideration for such Athabasca Options. Athabasca Optionholders should refer to, and carefully read, the section entitled “*Q&A on the Arrangement, Voting and Solicitation of Proxies*” in the Circular.

On behalf of the board of directors, I would like to express our gratitude for the support our shareholders have demonstrated in the past, and with respect to our decision to proceed with the Arrangement.

Yours very truly,

(signed) “*Don Paulencu*”

Don Paulencu

Chairman of the Board and

Member of the Special Committee

Athabasca Minerals Inc.



**NOTICE OF SPECIAL MEETING OF SECURITYHOLDERS
TO BE HELD NOVEMBER 3, 2023**

NOTICE IS HEREBY GIVEN that a special meeting (the “**Meeting**”) of holders (the “**Athabasca Shareholders**”) of common shares (“**Athabasca Shares**”) and holders (the “**Athabasca Optionholders**”, and, together with the Athabasca Shareholders, the “**Athabasca Securityholders**”) of options to purchase Athabasca Shares (“**Athabasca Options**”) of Athabasca Minerals Inc. (“**Athabasca**” or the “**Corporation**”), will be held at the Conference Centre of First Canadian Centre, located at 350 – 7th Avenue S.W. Calgary, Alberta T2P 3N9 on November 3, 2023, at 10:00 a.m. (Calgary time) for the following purposes:

1. to consider, pursuant to an order as the same may be amended (the “**Interim Order**”) of the Court of King’s Bench of Alberta dated October 3, 2023, and, if thought appropriate, to approve, with or without variation, a special resolution (the “**Arrangement Resolution**”), the full text of which is set forth in Appendix A to the accompanying information circular and proxy statement dated October 4, 2023 (the “**Circular**”) to approve a plan of arrangement involving Athabasca and JMAC Energy Services LLC (the “**Arrangement**”) under Section 193 of the *Business Corporations Act* (Alberta) (the “**ABCA**”), all as more particularly described in the accompanying Circular; and
2. to transact such further and other business as may properly be brought before the Meeting or any adjournment or postponement thereof.

Specific details of the matters to be put before the Meeting are set forth in the Circular.

The Corporation currently intends to hold the Meeting in person at the Conference Centre of First Canadian Centre, located at 350 – 7th Avenue S.W. Calgary, Alberta T2P 3N9 on November 3, 2023, at 10:00 a.m. (Calgary time). The Corporation encourages Athabasca Securityholders to vote their Athabasca Shares and Athabasca Options, as applicable, prior to the Meeting following the instructions set out in the form of proxy or voting instruction form received by such Athabasca Securityholder.

The record date for the Meeting has been fixed at the close of business on September 29, 2023 (the “**Record Date**”). Only Athabasca Securityholders of record as at the Record Date are entitled to receive notice of the Meeting. Athabasca Securityholders of record will be entitled to vote those Athabasca Shares included in the list of Athabasca Securityholders prepared as at the Record Date. Each Athabasca Optionholder whose name is entered on the applicable securities register for such securities at the close of business on the Record Date is entitled to one vote for each Athabasca Share issuable upon the exercise of the Athabasca Option held in his, her or its name. If an Athabasca Shareholder transfers Athabasca Shares after the Record Date and the transferee of those Athabasca Shares, having produced properly endorsed certificates evidencing such Athabasca Shares, or having otherwise established that the transferee owns such Athabasca Shares or Athabasca Options, demands, at least ten days before the Meeting, that the transferee’s name be included in the list of Athabasca Securityholders entitled to vote at the Meeting, such transferee shall be entitled to vote such Athabasca Shares at the Meeting. Athabasca Optionholders are not permitted to transfer their Athabasca Options.

An Athabasca Securityholder may attend the Meeting in person or may be represented by proxy. Athabasca Securityholders who are unable to attend the Meeting or any adjournment thereof in person are requested to date, sign and return the accompanying form of proxy for use at the Meeting or any adjournment thereof.

To be effective, the enclosed form of proxy must be received by TSX Trust Company: (i) by mail to TSX Trust Company, 301 – 100 Adelaide Street West, Toronto ON M5H 4H1; (ii) by hand delivery to TSX Trust

Company, 301 – 100 Adelaide Street West, Toronto ON M5H 4H1; or (iii) by internet at www.voteproxyonline.com at least 48 hours (excluding Saturdays, Sundays and holidays) prior to the time set for the Meeting or any adjournment or postponement thereof. Notwithstanding the foregoing, the chairman of the Meeting may, in his sole discretion, at the Meeting, elect to waive the requirement that proxies must be deposited prior to the time specified in such notice and accept any and all proxies deposited at or before the time of the Meeting or any adjournment thereof. You will require your control number found on the form of proxy in order to vote by internet. A person appointed as a proxyholder need not be an Athabasca Securityholder.

The proxyholder has discretion under the accompanying form of proxy to consider such further and other business as may properly be brought before the Meeting or any adjournment thereof. Athabasca Securityholders who are planning on returning the accompanying form of proxy are encouraged to review the Circular carefully before submitting the proxy form.

If you are an unregistered holder of Athabasca Shares and receive these materials through your broker or through another intermediary, please complete the form of proxy or voting instruction form provided to you by your broker or other intermediary in accordance with the instructions provided therein.

Pursuant to the Interim Order, registered holders of Athabasca Shares have the right to dissent with respect to the Arrangement and to be paid the fair value of their Athabasca Shares in accordance with the provisions of Section 191 of the ABCA, as modified by the Interim Order and the Arrangement. An Athabasca Shareholder's right to dissent is more particularly described in the Circular and the Interim Order and the text of Section 191 of the ABCA, which are set forth in Appendices C and D, respectively, to the Circular. **Failure to strictly comply with the requirements set forth in Section 191 of the ABCA, as modified by the Interim Order and the Arrangement, may result in the loss of any right of dissent. A dissenting Athabasca Shareholder must send to Athabasca a written objection to the Arrangement Resolution, which written objection must be received by Athabasca, c/o Fasken Martineau DuMoulin LLP, Suite 3100, 350 – 7th Avenue S.W. Calgary, Alberta T2P 3N9, Attention: Sarah Gingrich, by 4:00 p.m. (Calgary time) on October 27, 2023 (or 4:00 p.m. (Calgary time) on the business day that is five business days prior to the date of the Meeting if it is not held on November 3, 2023).**

Persons who are beneficial owners of Athabasca Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that only registered holders of Athabasca Shares are entitled to dissent. Accordingly, a beneficial owner of Athabasca Shares who desires to exercise the right of dissent must make arrangements for the Athabasca Shares beneficially owned by such holder to be registered in the holder's name prior to the time written objection to the Arrangement Resolution is required to be received by the Corporation or, alternatively, make arrangements for the registered holder of such Athabasca Shares to dissent on the holder's behalf.

DATED at the City of Calgary, in the Province of Alberta, this 4th day of October, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS OF
ATHABASCA MINERALS INC.**

(signed) "*Don Paulencu*"
Don Paulencu
Chairman of the Board and
Member of the Special Committee
Athabasca Minerals Inc.

**IN THE COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE OF EDMONTON**

**IN THE MATTER OF SECTION 193 OF THE *BUSINESS
CORPORATIONS ACT*, R.S.A. 2000, C. B-9, AS AMENDED**

**AND IN THE MATTER OF A PROPOSED PLAN OF
ARRANGEMENT INVOLVING ATHABASCA MINERALS INC.
AND JMAC ENERGY SERVICES LLC**

NOTICE OF ORIGINATING APPLICATION

NOTICE IS HEREBY GIVEN that an originating application (the “**Application**”) has been filed with the Court of King’s Bench of Alberta, Judicial Centre of Edmonton (the “**Court**”) on behalf of Athabasca Minerals Inc. (the “**Corporation**”) with respect to a proposed arrangement (the “**Arrangement**”) under Section 193 of the *Business Corporations Act*, R.S.A. 2000, c. B-9, as amended (the “**ABCA**”), involving the Corporation and JMAC Energy Services LLC, which Arrangement is described in greater detail in the information circular and proxy statement of the Corporation dated October 4, 2023 accompanying this Notice of Originating Application. At the hearing of the Application, the Corporation intends to seek:

- (a) a declaration that the terms and conditions of the Arrangement, and the procedures relating thereto, are fair to the persons affected from a substantive and procedural point of view;
- (b) a declaration that the statutory requirements under the ABCA have been fulfilled and the Arrangement is put forward in good faith;
- (c) an order approving the Arrangement pursuant to the provisions of Section 193 of the ABCA;
- (d) a declaration that the Arrangement will, upon the filing of the Articles of Arrangement pursuant to the provisions of Section 193 of the ABCA, become effective in accordance with its terms and will be binding on and after the effective date of the Arrangement; and
- (e) such other and further orders, declarations and directions as the Court may deem just.

AND NOTICE IS FURTHER GIVEN that the said Application is directed to be heard before a Justice of the Court of King’s Bench of Alberta, 1A Sir Winston Churchill Square, Edmonton, Alberta on the 7th day of November, 2023 at 2:00 p.m. (Calgary time), or as soon hereafter as counsel may be heard. Any registered holders (“**Athabasca Shareholders**”) of common shares (“**Athabasca Shares**”) of the Corporation and holders of options to acquire Athabasca Shares (“**Athabasca Optionholders**”, and together with the Athabasca Shareholders, “**Athabasca Securityholders**”) or any other interested party desiring to support or oppose the Application, may appear at the time of the hearing in person or by counsel for that purpose. **Any Athabasca Securityholder or any other interested party desiring to appear at the hearing is required to file with the Court of King’s Bench of Alberta, Judicial Centre of Edmonton, and serve upon the Corporation, on or before 12:00 p.m. (Calgary time) on October 27, 2023 (or 12:00 p.m. (Calgary time) on the business day that is five business days prior to the date of the special meeting of Athabasca Securityholders if it is not held on November 3, 2023), a Notice of Intention to Appear in accordance with the Alberta Rules of Court, including an address for service in the Province of Alberta and indicating whether such Athabasca Securityholder or other interested party intends to support or oppose the Application or make submissions thereat, together with a summary of the position that holder or person intends to advance before the Court and any evidence or materials which are to be presented to the Court.** Service on the Corporation is to be effected by delivery to the solicitors for the Corporation at the address below.

AND NOTICE IS FURTHER GIVEN that, at the hearing, subject to the foregoing, the Athabasca Securityholders and any other interested parties will be entitled to make representations as to, and the Court will be requested to consider, the fairness of the Arrangement. If you do not attend, either in person or by counsel, at that time, the Court

may approve the terms and conditions of the Arrangement as presented, approve the Arrangement subject to such terms and conditions as the Court shall deem fit, or refuse to approve the Arrangement without any further notice.

AND NOTICE IS FURTHER GIVEN that no further notice of the Application will be given by the Corporation and that in the event the hearing of the Application is adjourned, only those persons who have appeared before the Court for the application at the hearing shall be served with notice of the adjourned date.

AND NOTICE IS FURTHER GIVEN that the Court, by the interim order of the Court dated October 3, 2023 (the “**Interim Order**”) has given directions as to the calling of a meeting of Athabasca Securityholders for the purpose of such holders voting upon a special resolution to approve the Arrangement and has directed that registered holders of Athabasca Shares shall have the right to dissent with respect to the Arrangement in accordance with the provisions of Section 191 of the ABCA, as modified by the Interim Order and the Arrangement.

AND NOTICE IS FURTHER GIVEN that a copy of the said Application and other documents in the proceedings will be furnished to any Athabasca Securityholder or other interested party requesting the same by the undermentioned solicitors for the Corporation upon written request delivered to such solicitors as follows:

Fasken Martineau DuMoulin LLP
Suite 3100, 350 – 7th Avenue S.W.
Calgary, Alberta T2P 3N9

Attention: Vhari Storwick

DATED at the City of Calgary, in the Province of Alberta, this 4th day of October, 2023.

**BY ORDER OF THE BOARD OF DIRECTORS OF
ATHABASCA MINERALS INC.**

(signed) “*Don Paulencu*”
Don Paulencu
Chairman of the Board and
Member of the Special Committee
Athabasca Minerals Inc.

Q&A ON THE ARRANGEMENT, VOTING AND SOLICITATION OF PROXIES

See “*Glossary of Terms*” in the information circular and proxy statement of Athabasca Minerals Inc. dated October 4, 2023 (the “**Circular**”) accompanying this Q&A for the meaning assigned to certain terms that are capitalized below and not otherwise defined.

Q: What is this document?

A: This Circular is being sent to you in connection with the Meeting that will be held at the Conference Centre of First Canadian Centre, located at 350 – 7th Avenue S.W. Calgary, Alberta T2P 3N9, on November 3, 2023, at 10:00 a.m. (Calgary time). This Circular provides information about the business of the Meeting and the Arrangement. Athabasca Shareholders will also receive a Letter of Transmittal with this Circular and a form of proxy or voting instruction form.

Q: Why is the Meeting being held and what am I voting on?

A: Athabasca Securityholders are voting on the Arrangement Resolution (the form of which is attached as Appendix A to the Circular) approving the Arrangement.

Q: Where is the Meeting being held?

A: The Corporation currently intends to hold the Meeting in person at the Conference Centre of First Canadian Centre, located at 350 – 7th Avenue S.W. Calgary, Alberta T2P 3N9, on November 3, 2023, at 10:00 a.m. (Calgary time). The Corporation encourages Athabasca Securityholders to vote their Athabasca Shares and Athabasca Options, as applicable, prior to the Meeting by following the instructions set out in the form of proxy or voting instruction form received by such Athabasca Securityholders.

Q: Why is Athabasca proposing the Arrangement?

A: The Board believes the Arrangement is in the best interest of Athabasca and the Athabasca Securityholders for the reasons set forth under “*Reasons for the Arrangement*” in the Circular.

Q: What is the purpose of the Arrangement?

A: The purpose of the Arrangement is to provide a fair and advantageous liquidity event for Athabasca Shareholders and to complete a going private transaction of the Corporation. Pursuant to the Plan of Arrangement, AcquireCo will acquire all of the issued and outstanding Athabasca Shares, other than those owned, or over which control or direction is exercised, directly or indirectly, by the Ongoing Shareholder and Dissenting Shareholders, for cash consideration in an amount equal to \$0.145 per Athabasca Share. At the Effective Time: (i) each Athabasca Option outstanding that has an exercise price that is less than the Cash Consideration will be cancelled in exchange for an amount equal to the amount by which the Cash Consideration exceeds the exercise price thereof; (ii) each Athabasca Option outstanding that has an exercise price that is equal to or greater than the Cash Consideration will be cancelled in exchange for a cash payment equal to \$0.01; and (iii) each Athabasca DSU outstanding will be cancelled in exchange for the Cash Consideration.

Q: What does the Board think about the Arrangement?

A: **THE BOARD UNANIMOUSLY RECOMMENDS THAT ATHABASCA SECURITYHOLDERS VOTE FOR THE ARRANGEMENT RESOLUTION.**

Q: What votes are required to approve the Arrangement Resolution?

A: Subject to any further order of the Court, the Interim Order provides that the Arrangement Resolution must be approved by the affirmative vote thereon at the Meeting by at least:

1. 66⅔% of the votes cast by all Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat;
2. 66⅔% of the votes cast by all Athabasca Securityholders (voting as a single class), present in person or represented by proxy at the Meeting and entitled to vote thereat; and
3. a majority of the votes cast by Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat, after excluding the votes cast by persons whose votes may not be included in determining minority approval pursuant to MI 61-101.

Q: Who is entitled to vote at the Meeting?

A: Registered holders who hold Athabasca Shares or Athabasca Options as of the close of business on September 29, 2023 are entitled to vote. This is known as the “Record Date”. Athabasca Securityholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote those Athabasca Shares and Athabasca Options listed on the Athabasca Share and Athabasca Option register as at the Record Date, unless any such Athabasca Shareholder transfers Athabasca Shares after the Record Date and the transferee of those shares, having produced properly endorsed certificates evidencing such shares or having otherwise established that he, she or it owns such shares, demands, not later than ten days before the Meeting, that the transferee’s name be included in the list of Athabasca Shareholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such shares at the Meeting. Pursuant to the Athabasca Option Plan, Athabasca Optionholders are not permitted to transfer Athabasca Options.

Q: How do I vote?

A: If you are a registered Athabasca Securityholder, there are two ways that you can vote your Athabasca Shares and Athabasca Options, as applicable. You may vote in person at the Meeting or you may appoint a proxyholder to attend and vote on your behalf during the Meeting in accordance with the instructions contained in the form of proxy enclosed. We encourage Athabasca Securityholders to vote their Athabasca Shares and Athabasca Options, as applicable, in advance of the Meeting. See “*What do I do with my completed form of proxy?*” below.

The Persons named in the enclosed form of proxy or some other Person you choose, who need not be an Athabasca Securityholder, may be appointed by you in accordance with the instructions on the form of proxy to represent you as proxyholder and vote your Athabasca Shares and Athabasca Options, as applicable, at the Meeting.

If you are an Athabasca Shareholder and your Athabasca Shares are held in the name of an intermediary, please see “*Advice to Beneficial Athabasca Shareholders*” in the Circular.

Q: What if I plan to attend the Meeting and vote in person?

A: If you are a registered Athabasca Securityholder and plan to attend the Meeting on November 3, 2023 and wish to vote your Athabasca Shares and Athabasca Options, as applicable, in person at the Meeting then you do not need to vote in accordance with the procedures outlined in the form of proxy. Rather, your vote will be taken and counted at the Meeting. Please register with Athabasca’s transfer agent upon arrival at the Meeting. If you are an Athabasca Securityholder and your Athabasca Shares and Athabasca Options, as applicable, are held in the name of a nominee, please see the information under this “*Q&A on the Arrangement, Voting and Solicitation of Proxies*” and see “*Advice to Beneficial Athabasca Shareholders*” in the Circular.

Access to the Meeting in person may, subject to the Corporation’s by-laws and the Interim Order, be either entirely restricted or limited to essential personnel and registered Athabasca Securityholders and proxyholders entitled to attend and vote at the Meeting. As always, the Corporation encourages Athabasca Securityholders to vote their Athabasca Shares and Athabasca Options, as applicable, prior to the Meeting

following the instructions set out in the form of proxy or voting instruction form received by such Athabasca Securityholders.

Q: Who is soliciting my proxy?

A: The enclosed form of proxy is being solicited by the Board and the associated costs will be borne by Athabasca. The solicitation will be made primarily by mail but may also be made by telephone, in writing or in person by directors, officers and employees of Athabasca. The Corporation reserves the right to retain proxy solicitation services or dealers, for appropriate compensation, but has no current plans to do so.

Q: What if I sign the form of proxy enclosed with the Circular?

A: Signing the enclosed form of proxy gives authority to Dana Archibald, Chief Executive Officer of the Corporation or David Churchill, Chief Financial Officer of the Corporation, or to another Person you have appointed, to vote your Athabasca Shares and Athabasca Options, as applicable, at the Meeting. Your proxy designate must vote your Athabasca Shares and Athabasca Options, as applicable, in accordance with the voting instructions contained in the enclosed form of proxy. The form of proxy may be executed by the Athabasca Securityholder or the Athabasca Securityholder's attorney authorized in writing, or if the Athabasca Securityholder is a corporation, by an officer or attorney of the corporation duly authorized. The proxy is valid only for the Meeting and for any adjournment or postponement of the Meeting.

Q: Can I appoint someone to vote other than the directors designated in the form of proxy?

A: Yes. Each Athabasca Securityholder has the right to appoint a Person, other than the members of the Board designated in the form of proxy, to represent them at the Meeting. To do so, write the name of your representative in the blank space provided in the form of proxy. This representative does not have to be an Athabasca Securityholder.

It is important to ensure that any other Person you appoint is attending the Meeting and is aware that he, she or it has been appointed to vote your Athabasca Shares or Athabasca Options. This Person should, upon arrival at the Meeting, present himself or herself to a representative of the Transfer Agent.

Q: What do I do with my completed form of proxy?

A: If you want to send your form of proxy by mail, return it, properly completed, to the Transfer Agent so that it arrives not later than 10:00 a.m. (Calgary time) on November 1, 2023 for your vote to be recorded at the following address:

TSX Trust Company

301 – 100 Adelaide Street West
Toronto, Ontario
M5H 4H1

OR

If you want to use the internet voting on TSX Trust Company's website, go to www.voteproxyonline.com (detailed instructions are included with your proxy materials) and submit your voting instructions electronically so that you instructions are received not later than 10:00 a.m. (Calgary time) on November 1, 2023.

Q: If I change my mind, can I take back my proxy once I have given it?

A: Yes. If you change your mind and wish to revoke your proxy, prepare a written statement to this effect. The statement must be signed by you or your attorney authorized in writing or, if the Athabasca Securityholder

is a corporation, by an officer or attorney of the corporation duly authorized. This statement must be delivered either to the registered office of the Corporation at any time up to and including the last Business Day preceding the date of the Meeting (or any adjournment thereof) or to the Chairman of the Meeting on the day of the Meeting (November 3, 2023) prior to commencement of the Meeting or any adjournment of the Meeting.

Q: How will my Athabasca Shares and Athabasca Options be voted if I give my proxy?

A: The Persons named on the form of proxy must vote your Athabasca Shares or Athabasca Options, as applicable, for or against the Arrangement Resolution in accordance with your directions. In the absence of such directions, however, your Athabasca Shares and Athabasca Options, as applicable, that are the subject of the proxy will be voted FOR the Arrangement Resolution.

Q: What if amendments are made to these matters or if other matters are brought before the Meeting?

A: The Person named in the form of proxy will have discretionary authority with respect to amendments or variations to matters identified in the Notice of Meeting and with respect to other matters that may properly come before the Meeting.

As of the date of the Circular, Athabasca's management knows of no such amendment, variation or other matter expected to come before the Meeting. If any other matters properly come before the Meeting, the Persons named in the form of proxy will vote on them in accordance with their best judgment.

Q: What if the Meeting is adjourned or postponed?

A: If the Meeting is adjourned or postponed, the deadline for submitting proxies will be extended to 48 hours (excluding Saturdays, Sundays and holidays) prior to the time to which the Meeting is adjourned or postponed. Notwithstanding the foregoing, the chairman of the Meeting may, in his sole discretion, at the Meeting, elect to waive the requirement that proxies must be deposited prior to the time specified in such notice and accept any and all proxies deposited at or before the time of the Meeting or any adjournment thereof.

Q: How many Athabasca Shares and Athabasca Options are entitled to vote?

A: Athabasca Securityholders of record as at the Record Date are entitled to receive notice of the Meeting and to vote their Athabasca Shares or Athabasca Options, as applicable, listed on the share register or option register, as at the Record Date, unless any such Athabasca Shareholder transfers Athabasca Shares after the Record Date and the transferee of those Athabasca Shares, having produced properly endorsed certificates evidencing such Athabasca Shares or having otherwise established that he, she or it owns such Athabasca Shares, demands, not later than ten days before the Meeting, that the transferee's name be included in the list of Athabasca Securityholders entitled to vote at the Meeting, in which case such transferee shall be entitled to vote such Athabasca Shares at the Meeting. Pursuant to the Athabasca Option Plan, Athabasca Optionholders are not permitted to transfer Athabasca Options. As of the date of this Circular, there were 78,582,686 Athabasca Shares issued and outstanding and 2,855,400 Athabasca Options were granted under the Athabasca Option Plan and outstanding. Each Athabasca Share and each Athabasca Option confers the right to one vote on the Arrangement Resolution.

To the knowledge of the directors and management of Athabasca, no Person owns or exercises control or direction over more than 10% of the outstanding Athabasca Shares that are entitled to be voted at the Meeting except as set out under "*Information Concerning Athabasca – Voting Securities, Outstanding Athabasca Shares and Principal Holders*" in the Circular.

Q: Who counts the proxies?

A: The Transfer Agent, TSX Trust Company, will act as scrutineer of the Meeting, and accordingly, will count and tabulate the proxies received from Athabasca Securityholders.

Q: If my Athabasca Shares are not registered in my name but are held in the name of an intermediary (a bank, trust company, securities broker, trustee or other), how do I vote my Athabasca Shares?

A. Athabasca Shares held through intermediaries by Athabasca Shareholders who have not received the materials for the Meeting (the “**Meeting Materials**”) directly from Athabasca can only be voted for or against the matters to be considered at the Meeting by following instructions received from the intermediary through which those securities are held. Without specific instructions from the beneficial holder, intermediaries are required NOT to vote the Athabasca Shares held by them. The directors and officers of Athabasca do not know for whose benefit the Athabasca Shares registered in the name of intermediaries are held unless the beneficial holder has consented to the disclosure of such information to Athabasca.

Applicable Securities Laws require intermediaries to forward the Meeting Materials and seek voting instructions from Beneficial Shareholders in advance of the Meeting. Intermediaries typically have their own mailing procedures and provide their own return instructions as well as telephone and/or internet voting instructions, which should be carefully followed by Beneficial Shareholders in order to ensure that their Athabasca Shares are voted at the Meeting. Typically, intermediaries will use service companies to forward the Meeting Materials and voting instructions to Beneficial Shareholders. Beneficial Shareholders will generally be provided with either:

1. a form of proxy that has already been signed by the intermediary (typically by facsimile stamped signature), which states the number of securities beneficially owned by the Beneficial Shareholder, but which is otherwise not completed by the intermediary. In this case, the Beneficial Shareholder who wishes to submit a proxy in respect of its beneficially owned Athabasca Shares should properly complete the remainder of the provided form of proxy and follow the instructions from the intermediary as to delivery; or
2. more typically, a voting instruction form, which must be completed, signed and delivered by the Beneficial Shareholder (or, if applicable, such other delivery or voting means as set out in the form) in accordance with the directions on the voting instruction form.

The purpose of these procedures is to permit Beneficial Shareholders to direct the voting of the Athabasca Shares they beneficially own. If you are a Beneficial Shareholder of Athabasca Shares who receives either a form of proxy or voting instruction form from an intermediary and you wish to attend and vote at the Meeting in person (or have another individual attend and vote in person on your behalf), you should strike out the names of the individuals named in the form of proxy and insert your name (or such other Person’s name) in the blank space provided or, in the case of a voting instruction form, contact the intermediary. A Beneficial Shareholder should carefully follow the instructions of their intermediary and/or their intermediary’s service company. See “*Advice to Beneficial Athabasca Shareholders*” in the Circular.

Q: How do I receive consideration for my Athabasca Shares under the Arrangement?

A: In order to receive the Cash Consideration for Athabasca Shares under the Arrangement, registered Athabasca Shareholders (who are not Dissenting Shareholders or the Ongoing Shareholder, or Persons or entities related to the Ongoing Shareholder) must complete and sign the Letter of Transmittal that accompanies the Circular and surrender the original certificate(s) representing their Athabasca Shares and all other required documents to the Depositary. It is requested that Athabasca Shareholders enclose copies of any DRS Advices representing their Athabasca Shares with their Letter of Transmittal. If your Athabasca Shares are held through an intermediary, you should contact that intermediary for instructions and assistance.

TSX Trust Company is acting as Depositary under the Plan of Arrangement. The Depositary will be responsible for receiving deposits of Athabasca Shares, Letters of Transmittal and accompanying documentation. AcquireCo will cause the Depositary to cause payment to be made for all Athabasca Shares held by Athabasca Shareholders that are exchanged under the Plan of Arrangement. See “*Procedures for Receipt of Consideration – Procedure for Exchange of Athabasca Shares for Consideration*” in the Circular.

Q: How do I receive consideration for my Athabasca Options and Athabasca DSUs under the Arrangement?

A: If you are an Athabasca Optionholder or an Athabasca DSU Holder, you do not need to deliver the Letter of Transmittal or any other certificates or documentation in order to receive the applicable consideration for such Athabasca Options or Athabasca DSUs. As at the Effective Time, Athabasca will cause payment to be made to the former Athabasca Optionholders and Athabasca DSU Holders the consideration to which they are entitled in accordance with the Plan of Arrangement, less applicable withholdings. See “*Procedures for Receipt of Consideration – Procedure for Exchange of Other Securities*” in the Circular.

Q: If I have questions, who do I contact?

A: You can contact: (i) Athabasca Minerals Inc. by email at info@athabascaminerals.com, Attention: Investor Relations with any questions about the Meeting or voting; or (ii) TSX Trust Company at 1-866-600-5869 (toll free) or by email at tsxtis@tmx.com.

INFORMATION CIRCULAR AND PROXY STATEMENT

GLOSSARY OF TERMS

Unless the context indicates otherwise, the following terms shall have the meanings set out below when used in this Circular. Terms and abbreviations used in the Appendices to this Circular are defined separately and the terms and abbreviations defined below are not used therein, except where otherwise indicated.

“**ABCA**” means the *Business Corporations Act* (Alberta), R.S.A. 2000, c. B-9, as may be amended from time to time, including the regulations promulgated thereunder.

“**AcquireCo**” means JMAC Energy Services LLC, a limited liability company validly subsisting and registered under the Laws of the State of Delaware, controlled by a director of Athabasca, Jon McCreary.

“**Acquisition Proposal**” means, other than the transactions contemplated by the Arrangement Agreement, any offer, *bona fide* proposal, expression of interest, or inquiry, whether oral or written, from any person (other than AcquireCo or any of its affiliates) made after the date of the Arrangement Agreement relating to: (a) any acquisition, sale, lease, long-term supply agreement or other arrangement having the same economic effect as a sale, direct or indirect, of: (i) the assets of Athabasca and/or one or more of its subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of Athabasca and its subsidiaries taken as a whole (based on the most recently filed financial statements on SEDAR+); or (ii) 20% or more of any voting or equity securities of Athabasca, or one or more of its subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the consolidated assets of Athabasca and its subsidiaries, taken as a whole; (b) any take-over bid, tender offer or exchange offer for any class of voting or equity securities of Athabasca; or (c) a plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving Athabasca or any of its subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the consolidated assets of Athabasca and its subsidiaries, taken as a whole.

“**affiliate**” has the meaning ascribed to such term in National Instrument 45-106 — *Prospectus Exemptions*.

“**AIF**” means the annual information form of the Corporation for the year ended December 31, 2021.

“**All Assets**” has the meaning ascribed hereto under “*Background to the Arrangement*” in this Circular.

“**allowable capital loss**” has the meaning ascribed hereto under “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Capital Gains and Capital Losses*” in this Circular.

“**Archibald Employment Agreement**” means the employment agreement between Dana Archibald and Athabasca dated August 29, 2022.

“**Arrangement**” means the arrangement under the provisions of Section 193 of the ABCA on the terms and conditions set forth in the Plan of Arrangement, as modified or amended in accordance with the terms thereof and the Arrangement Agreement or the direction of the Court in the Final Order.

“**Arrangement Agreement**” means the arrangement agreement between Athabasca and AcquireCo dated September 20, 2023, including all schedules and exhibits attached thereto, as amended, modified or supplemented from time to time.

“**Arrangement Resolution**” means the special resolution approving the Plan of Arrangement, substantially in the form attached as Appendix A to this Circular.

“**Articles of Arrangement**” means the articles of arrangement of Athabasca in respect of the Arrangement required by the ABCA to be filed with the Registrar after the Final Order has been granted.

“**associate**” has the meaning ascribed thereto in the Securities Act.

“**Athabasca**” or the “**Corporation**” means Athabasca Minerals Inc., a corporation amalgamated under the Laws of the Province of Alberta.

“**Athabasca DSU Holder**” means holders of Athabasca DSUs.

“**Athabasca DSU Plan**” means the deferred share unit plan of Athabasca previously approved by Athabasca Shareholders on June 21, 2022.

“**Athabasca DSUs**” means the outstanding deferred shares units to acquire Athabasca Shares granted pursuant to the Athabasca DSU Plan.

“**Athabasca ESP Plan**” means the stock purchase plan of Athabasca pursuant to which Athabasca Shares are purchased in the market on behalf of service providers to Athabasca.

“**Athabasca Option Plan**” means the incentive stock option plan of Athabasca previously approved by Athabasca Shareholders on June 21, 2022.

“**Athabasca Optionholders**” means the holders of Athabasca Options.

“**Athabasca Options**” means the outstanding options to acquire Athabasca Shares granted pursuant to the Athabasca Option Plan.

“**Athabasca RSU Plan**” means the restricted share unit plan of Athabasca previously approved by Athabasca Shareholders on June 21, 2022.

“**Athabasca RSUs**” means the outstanding restricted share units to acquire Athabasca Shares granted pursuant to the Athabasca RSU Plan.

“**Athabasca Securityholders**” means, collectively, the Athabasca Shareholders and Athabasca Optionholders, from time to time.

“**Athabasca Shareholders**” means the registered or beneficial holders of Athabasca Shares, as the context requires.

“**Athabasca Shares**” means the common shares in the capital of Athabasca.

“**Beneficial Shareholders**” has the meaning ascribed hereto under “*Advice to Beneficial Athabasca Shareholders*” in this Circular.

“**Bidder A**” has the meaning ascribed hereto under “*Background to the Arrangement*” in this Circular.

“**Bidder B**” has the meaning ascribed hereto under “*Background to the Arrangement*” in this Circular.

“**Board**” means the board of directors of Athabasca.

“**Broadridge**” means Broadridge Financial Services, Inc.

“**Business Day**” means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Calgary, Alberta.

“**Canaccord**” means Canaccord Genuity Corp.

“**Canaccord Engagement Letter**” means the sell-side engagement letter between Athabasca and Canaccord dated March 27, 2023.

“**Cash Consideration**” means, in respect of each Athabasca Share, \$0.145 in cash.

“**CFO**” means the Chief Financial Officer of Athabasca.

“**change of control**” has the meaning ascribed hereto under “*The Arrangement – Interests of Certain Directors and Executive Officers of Athabasca in the Arrangement – Executive Officer Employment Arrangements*” in this Circular.

“**Change in Recommendation**” has the meaning ascribed thereto in the Arrangement Agreement.

“**Churchill Employment Agreement**” means the employment agreement between John David Churchill and Athabasca dated May 16, 2022.

“**Circular**” means this information circular and proxy statement dated October 4, 2023, together with all appendices hereto.

“**Court**” means the Alberta Court of King’s Bench.

“**Depository**” means TSX Trust Company, or such other person or persons as the Parties have agreed in writing, to act as depository for the Arrangement, for the purpose of, among other things, exchanging certificates representing Athabasca Shares for the Cash Consideration in connection with the Arrangement.

“**Disclosure Letter**” means the disclosure letter executed by Athabasca and delivered to AcquireCo in connection with the execution of the Arrangement Agreement.

“**Dissenting Non-Resident Holders**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Dissenting Non-Resident Holders*” in this Circular.

“**Dissent Procedures**” means the dissent procedures in Section 191 of the ABCA, as modified by the Interim Order and the Plan of Arrangement.

“**Dissent Rights**” means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement.

“**Dissenting Resident Holder**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Dissenting Resident Holders*” in this Circular.

“**Dissenting Shareholder**” means any registered Athabasca Shareholder who has validly exercised its Dissent Rights in respect of the holder’s Athabasca Shares and has not withdrawn or been deemed to have withdrawn such exercise of Dissent Rights at the Effective Time.

“**DRS Advice**” means a Direct Registration System advice issued as evidence of ownership of a security in lieu of a physical share certificate.

“**Effective Date**” means the date upon which all of the conditions to completion of the Arrangement as set forth in the Arrangement Agreement have been satisfied or waived and all documents agreed to be delivered thereunder have been delivered to the satisfaction of the Parties hereto, acting reasonably.

“**Effective Time**” means 12:01 a.m. (Calgary time) on the Effective Date.

“**Evans & Evans**” means Evans & Evans, Inc.

“**Evans & Evans Agreement**” means the engagement agreement dated September 15, 2023 between Athabasca and Evans & Evans.

“Evans & Evans Fairness Opinion” means the fairness opinion of Evans & Evans as to the fairness, from a financial point of view, to the Athabasca Shareholders of the Cash Consideration payable to the Athabasca Shareholders pursuant to the Arrangement, a copy of which is attached as Appendix E to this Circular.

“Executive Employment Agreements” means collectively, the Churchill Employment Agreement and the Archibald Employment Agreement.

“Expense Reimbursement Fee” means the \$550,000 payable by Athabasca to AcquireCo upon the occurrence of an Expense Reimbursement Event, as defined and as further set out in the Arrangement Agreement.

“Final Order” means the final order of the Court pursuant to Section 193 of the ABCA, approving the Arrangement, in form and substance acceptable to Athabasca and AcquireCo, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement as such order may be affirmed, amended, modified, supplemented or varied by the Court with the consent of the Parties at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both Athabasca and AcquireCo, each acting reasonably) on appeal.

“Good Reason” has the meaning ascribed hereto under *“Executive Officer Employment Arrangements”* in this Circular.

“Governmental Entity” means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) any subdivision, agent, commission, bureau, board or authority of any of the foregoing; (c) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or taxing authority under or for the account of any of the foregoing; or (d) the TSXV.

“Holder” has the meaning ascribed thereto under *“Certain Canadian Federal Income Tax Considerations”* in this Circular.

“IFRS” means, at the relevant time, International Financial Reporting Standards as issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee, prepared on a consistent basis.

“Implied Value” has the meaning ascribed hereto under *“Background to the Arrangement”* in this Circular.

“Independent Directors” means, collectively Dale Nolan and Don Paulencu.

“Interim Order” means the interim order of the Court, to be issued following the application thereof contemplated by section 2.2(a) of the Arrangement Agreement, in form and substance acceptable to Athabasca and AcquireCo, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as the same may be affirmed, amended, modified, supplemented or varied by the Court with the consent of Athabasca and AcquireCo, each acting reasonably.

“Key Consents” has the meaning ascribed thereto in the Arrangement Agreement.

“Key Regulatory Approvals” has the meaning ascribed thereto in the Arrangement Agreement.

“Law” or **“Laws”** means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgments, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority as now in effect and as same may be promulgated or amended from time to time, and the term “applicable” with respect to such Laws and in a context that refers to one or more persons, means such Laws as are applicable to such person(s) or its business, undertaking, property or securities and

emanate from a person having jurisdiction over the person(s) or its or their business, undertaking, property or securities.

“Legal Proceedings” has the meaning ascribed thereto in the Arrangement Agreement.

“Letter of Transmittal” means the letter of transmittal accompanying this Circular pursuant to which Athabasca Shareholders are required to deliver certificates representing Athabasca Shares in order to receive the Cash Consideration payable in respect of the Athabasca Shares under the Arrangement.

“Loan” has the meaning ascribed thereto under *“Interest of Informed Persons in Material Transactions”* in this Circular.

“Locked-up Securityholders” means each of the senior officers and directors of Athabasca.

“Material Adverse Effect” means, in respect of Athabasca, any change, effect, event or occurrence that either individually or in the aggregate with other such changes, effects, events or occurrences, is material and adverse to the business, operations, results of operations, assets, properties, condition (financial or otherwise) or liabilities of Athabasca and its subsidiaries, on a consolidated basis, except any change, effect, event or occurrence resulting from or relating to:

- (a) changes, developments or conditions in or relating to general international or Canadian or United States political, economic, financial, banking, currency exchange or capital market conditions;
- (b) any change or proposed change in any Laws or the interpretation, application or non-application of any Laws by any Governmental Entity;
- (c) any generally applicable changes in IFRS;
- (d) any act of civil unrest, civil disobedience, war, terrorism, cyberterrorism, military activity, sabotage or cybercrime, including an outbreak or escalation of hostilities involving any Governmental Entity or the declaration by any Governmental Entity of a national emergency or war, or any worsening or escalation of any such conditions threatened or existing on the date of the Arrangement Agreement;
- (e) any hurricane, flood, tornado, earthquake or other natural disaster, man-made disaster or comparable event;
- (f) the commencement or continuation of any epidemic, pandemic, disease outbreak (including COVID-19), other outbreak of illness, health crisis or public health event including the escalation or worsening thereof;
- (g) any action taken (or omitted to be taken) by Athabasca or any of its subsidiaries which is expressly consented to by AcquireCo in writing;
- (h) change in the market price or trading volume of the Athabasca Shares (provided that the underlying cause of any such change may be taken into account in determining whether there has been a Material Adverse Effect);
- (i) a change attributable to the execution, announcement, pendency or performance of the transactions contemplated hereby;
- (j) a change relating to exchange rates;
- (k) any failure by Athabasca or any of its subsidiaries to meet any public estimates or expectations regarding its revenues, earnings or other financial performance or results of operations (provided that the underlying cause of any such change may be taken into account in determining whether there has been a Material Adverse Effect); or
- (l) anything identified under “Material Adverse Effect” of Schedule 1.1 of the Disclosure Letter;

provided, however, that each of subsections (a) through (f) above shall not apply to the extent that any of the changes, developments, conditions or occurrences referred to therein relate primarily to (or have the effect of relating primarily to) Athabasca and its subsidiaries, taken as a whole or disproportionately adversely affect Athabasca and its subsidiaries, taken as a whole in comparison to other persons of a similar size who operate in the aggregates mining industry.

“**Material Contract**” has the meaning ascribed thereto in the Arrangement Agreement.

“**Meeting**” means the special meeting of Athabasca Securityholders to be held at 10:00 a.m. (Calgary time) on November 3, 2023, or any adjournment or postponement thereof, to consider and vote on the Arrangement Resolution.

“**MI 61-101**” means Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*.

“**NI 51-102**” means National Instrument 51-102 – *Continuous Disclosure Obligations*.

“**Non-Resident Holder**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*” in this Circular.

“**Notice of Meeting**” means the notice of the Meeting dated October 4, 2023, delivered to Athabasca Securityholders with this Circular.

“**Ongoing Director**” means Jon McCreary.

“**Ongoing Shareholder**” means AcquireCo.

“**Ordinary Course**”, or any similar reference, means, with respect to an action taken by Athabasca, that such action is consistent with the past practices of Athabasca and is taken in the ordinary course of the normal day-to-day business and operations of Athabasca.

“**Outside Date**” means November 30, 2023, or such later date as may be agreed to in writing by the Parties.

“**Parties**” means, collectively, AcquireCo and Athabasca, and “**Party**” means any one of them, as the context requires.

“**Person**” includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status.

“**Plan of Arrangement**” means the plan of arrangement attached as Schedule A to Appendix B to this Circular, as modified, amended or supplemented from time to time in accordance therewith or on the direction of the Court in the Final Order.

“**Policy 4.4**” means Policy 4.4 – *Securities Based Compensation* of the TSXV.

“**Potential Parties**” has the meaning ascribed thereto under “*Background to the Arrangement*” in this Circular.

“**Record Date**” means September 29, 2023.

“**Registrar**” means the Registrar of Corporations for the Province of Alberta or the Deputy Registrar(s) of Corporations duly appointed pursuant to Section 263 of the ABCA.

“**Resident Holder**” has the meaning ascribed thereto under “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada*” in this Circular.

“**Securities Act**” means the *Securities Act* (Alberta), R.S.A. 2000, c S-4, and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time.

“**Securities Laws**” means the Securities Act, together with all other applicable provincial securities laws, rules and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time.

“**Securityholder Approval**” has the meaning ascribed thereto in the Arrangement Agreement.

“**SEDAR+**” means the System for Electronic Document Analysis and Retrieval located at www.sedarplus.ca.

“**Special Committee**” means the special committee of independent directors of Athabasca, which was established to, among other things, consider the Arrangement and supervise the negotiation of the Arrangement Agreement.

“**subsidiary**” means, with respect to a specified body corporate, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified body corporate and shall include any body corporate, partnership, joint venture or other entity over which such specified body corporate exercises direction or control or which is in a like relation to a subsidiary. For clarity, for the purposes of this definition, AMI Silica LLC is not a subsidiary of Athabasca or of AcquireCo.

“**Superior Proposal**” means any *bona fide*, unsolicited, written Acquisition Proposal made by a third party after the date of the Arrangement Agreement that relates to the acquisition of 100% of the outstanding voting shares of Athabasca (other than voting shares owned by the person making the Superior Proposal) or all of the consolidated assets of Athabasca and its subsidiaries, taken as a whole and including Athabasca’s interest in AMI Silica LLC and:

- (i) that complies with applicable Laws and did not result from or involve a breach of section 7.2 of the Arrangement Agreement;
- (ii) that is not subject to a financing condition and in respect of which any funds or other consideration necessary to complete such Acquisition Proposal have been demonstrated to the satisfaction of the Board, acting in good faith (after consultation with its financial advisor(s) and outside legal counsel), to have been obtained to fund completion of such Acquisition Proposal at the time and on the basis set out therein;
- (iii) that is reasonably capable of being completed without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the person making such proposal;
- (iv) that, in the case of an Acquisition Proposal to acquire 100% of the outstanding shares of Athabasca, is made available to all Athabasca Shareholders on the same terms and conditions;
- (v) that is not subject to a due diligence and/or access condition;
- (vi) that complies with Securities Laws in all material respects; and
- (vii) in respect of which the Board determines:
 - (i) in its good faith judgment, after receiving the advice of its outside legal and financial advisors, that having regard for all of its terms and conditions, such Acquisition Proposal, would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to the holders of its shares from a financial point of view than the Arrangement; and
 - (ii) in good faith (after consultation with Athabasca’s outside legal counsel) that failure to recommend such Acquisition Proposal to the Athabasca Shareholders, or to accept such Acquisition Proposal,

as the case may be, would be inconsistent with the fiduciary duties of the Board under applicable Law.

“Support Agreements” means the voting agreements (including all amendments thereto) among AcquireCo, Athabasca and the Locked-up Securityholders setting forth the terms and conditions upon which the Locked-up Securityholders agree to vote their Athabasca Shares and Athabasca Options, as applicable, in favour of the Arrangement Resolution.

“Tax Act” means the *Income Tax Act* (Canada), R.S.C. 1985, c.1 (5th Supp.) and the regulations thereunder, as now in effect and as they may be promulgated or amended from time to time.

“Tax Proposal” has the meaning ascribed thereto under *“Certain Canadian Federal Income Tax Considerations”* in this Circular.

“taxable capital gain” has the meaning ascribed hereto under *“Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Capital Gains and Capital Losses”* in this Circular.

“Taxes” mean any and all taxes, imposts, levies, withholdings, duties, fees, premiums, assessments and other charges of any kind, however denominated and instalments in respect thereof, including any interest, penalties, fines or other additions that have been, are or will become payable in respect thereof, imposed by any Governmental Entity, including for greater certainty all income or profits taxes (including Canadian federal, provincial and territorial income taxes), payroll and employee withholding taxes, employment taxes, unemployment insurance, disability taxes, social insurance taxes, sales and use taxes, ad valorem taxes, excise taxes, goods and services taxes, harmonized sales taxes, franchise taxes, gross receipts taxes, capital taxes, business license taxes, mining royalties, alternative minimum taxes, estimated taxes, abandoned or unclaimed (escheat) taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, severance taxes, workers’ compensation, Canada and other government pension plan premiums or contributions and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which a Party or any of its subsidiaries is required to pay, withhold or collect, together with any interest, penalties or other additions to tax that may become payable in respect of such taxes, and any interest in respect of such interest, penalties and additions whether disputed or not.

“Termination Fee” means the \$790,000 payable by Athabasca to AcquireCo upon the occurrence of a Termination Fee Event, as defined and as further set out in the Arrangement Agreement.

“Transfer Agent” means Athabasca’s registrar and transfer agent, being TSX Trust Company.

“TSXV” means TSX Venture Exchange.

“VIF” means a machine readable voting instruction form.

Certain other terms used herein but not defined herein are defined in the Arrangement Agreement and Plan of Arrangement, as applicable, and, unless the context otherwise requires, shall have the same meanings herein as in the Arrangement Agreement or Plan of Arrangement.

INFORMATION CONTAINED IN THIS CIRCULAR

All information relating to AcquireCo contained in this Circular has been provided to Athabasca by AcquireCo. Athabasca has relied upon this information without having made any independent inquiries as to the accuracy or completeness thereof; however, Athabasca has no reason to believe such information is misleading or inaccurate. Neither the Board nor Athabasca assumes any responsibility for the accuracy or completeness of such information or for any omission on the part of the AcquireCo to disclose facts or events which may affect the accuracy or completeness of any such information.

Unless otherwise indicated, all references to “\$” or “dollars” in this Circular are references to Canadian dollars.

The information contained in this Circular is given as at October 4, 2023, except where otherwise noted. No Person has been authorized to give any information or to make representations in connection with the Arrangement other than those contained in this Circular and, if given or made, any such information or representation should not be considered to have been authorized by Athabasca.

This Circular does not constitute the solicitation of an offer to acquire any securities or the solicitation of a proxy by any Person in any jurisdiction in which such solicitation is not authorized, or in which the Person making such solicitation is not qualified to do so, or to any Person to whom it is unlawful to make such solicitation. The delivery of this Circular does not, under any circumstances, imply or represent that there has been no change in the information set forth herein since the date of this Circular.

You should not construe the contents of this Circular as legal, tax or financial advice and should consult with your own professional advisors as to the relevant legal, tax, financial or other matters in connection herewith.

THIS CIRCULAR AND THE TRANSACTIONS CONTEMPLATED BY THE ARRANGEMENT AGREEMENT AND THE PLAN OF ARRANGEMENT HAVE NOT BEEN APPROVED OR DISAPPROVED BY ANY SECURITIES REGULATORY AUTHORITY, NOR HAS ANY SECURITIES REGULATORY AUTHORITY PASSED UPON THE FAIRNESS OR MERITS OF SUCH TRANSACTIONS OR UPON THE ACCURACY OR ADEQUACY OF THE INFORMATION CONTAINED IN THIS CIRCULAR. ANY REPRESENTATION TO THE CONTRARY IS AN OFFENCE.

SOLICITATION OF PROXIES AND PLACE OF MEETING

This Circular is furnished in connection with the solicitation of proxies by and on behalf of the management of Athabasca for use at the Meeting and for the purposes set out in the foregoing Notice of Meeting and at any adjournments or postponements thereof.

Except in accordance with the terms of the Arrangement Agreement, the costs of solicitation will be borne by Athabasca. It is expected that solicitation will be made primarily by mail, but proxies may also be solicited personally or by telephone or other communication by directors, officers and employees of Athabasca without special compensation. The Corporation reserves the right to retain proxy solicitation services or dealers, for appropriate compensation, but has no current plans to do so.

The Corporation currently intends to hold the Meeting in person at the Conference Centre of First Canadian Centre, located at 350 – 7th Avenue S.W. Calgary, Alberta T2P 3N9 on November 3, 2023, at 10:00 a.m. (Calgary time). The Corporation encourages Athabasca Securityholders to vote their Athabasca Shares and Athabasca Options, as applicable, prior to the Meeting by following the instructions set out in the form of proxy or VIF received by such Athabasca Securityholders.

ADVICE TO BENEFICIAL ATHABASCA SHAREHOLDERS

The information set forth in this section is of significant importance to many Athabasca Shareholders, as a substantial number of Athabasca Shareholders do not hold Athabasca Shares in their own name. Athabasca Shareholders who

hold their Athabasca Shares through their brokers, intermediaries, directors or other Persons, or who otherwise do not hold their Athabasca Shares in their own name (referred to herein as “**Beneficial Shareholders**”) should note that only proxies deposited by Athabasca Shareholders who appear on the records maintained by the Transfer Agent as registered holders of Athabasca Shares will be recognized and acted upon at the Meeting. If Athabasca Shares are listed in an account statement provided to a Beneficial Shareholder by a broker, those Athabasca Shares, in all likelihood, are not registered in the Athabasca Shareholder’s name. Such Athabasca Shares are more likely to be registered under the name of the Athabasca Shareholder’s broker or an agent of that broker. In Canada, the vast majority of such securities are registered under the name of CDS & Co. (the registration name for CDS Clearing and Depositary Services Inc., which acts as nominee for many Canadian brokerage firms). Athabasca Shares held by brokers (or their agents or nominees) on behalf of their clients can only be voted (for or against resolutions) at the direction of the respective Beneficial Shareholder. Without specific instructions, brokers (and their agents and nominees) are prohibited from voting shares for their clients.

Each Beneficial Shareholder should ensure that voting instructions are communicated to the appropriate Person well in advance of the Meeting.

Existing regulatory policy requires brokers and other intermediaries to seek voting instructions from Beneficial Shareholders in advance of securityholder meetings. The various brokers and other intermediaries have their own mailing procedures and provide their own return instructions to clients, which should be carefully followed by Beneficial Shareholders in order to ensure that their Athabasca Shares are voted at the Meeting. The form of proxy supplied to a Beneficial Shareholder by its broker (or the agent of the broker) is substantially similar to the form of proxy provided directly to registered Athabasca Shareholders by Athabasca. However, its purpose is limited to instructing the registered Athabasca Shareholder (i.e., the broker or agent of the broker) how to vote on behalf of the Beneficial Shareholder. The vast majority of brokers in Canada now delegate responsibility for obtaining instructions from clients to Broadridge. Broadridge typically prepares a VIF, mails those forms to Beneficial Shareholders and asks Beneficial Shareholders to return the VIF to Broadridge, or otherwise communicate voting instructions to Broadridge (by way of the Internet or telephone, for example). Broadridge then tabulates the results of all instructions received and provides appropriate instructions respecting the voting of securities to be represented at the Meeting. **A Beneficial Shareholder who receives a Broadridge VIF cannot use that form to vote Athabasca Shares directly at the Meeting. The VIFs must be returned to Broadridge (or instructions respecting the voting of Athabasca Shares must otherwise be communicated to Broadridge) well in advance of the Meeting in order to have the Athabasca Shares voted. If you have any questions respecting the voting of Athabasca Shares held through a broker or other intermediary, please contact that broker or other intermediary for assistance.**

Although a Beneficial Shareholder may not be recognized directly at the Meeting for the purposes of voting Athabasca Shares registered in the name of his broker, a Beneficial Shareholder may attend the Meeting as proxyholder for the registered Athabasca Shareholder and vote the Athabasca Shares in that capacity. **Beneficial Shareholders who wish to attend the Meeting and indirectly vote their Athabasca Shares as proxyholder for the registered Athabasca Shareholder, should enter their own names in the blank space on the form of proxy provided to them and return the same to their broker (or the broker’s agent) in accordance with the instructions provided by such broker.**

NOTICE TO ATHABASCA SECURITYHOLDERS IN THE UNITED STATES

Athabasca is a corporation existing under the Laws of the province of Alberta. The solicitation of proxies and the transactions contemplated in this Circular involve securities of an Alberta issuer and are being effected in accordance with applicable Securities Laws. The proxy solicitation rules under the United States *Securities Exchange Act of 1934*, as amended, are not applicable to Athabasca or this solicitation and therefore this solicitation is not being effected in accordance with U.S. securities Laws. Athabasca Securityholders should be aware that disclosure requirements under applicable Canadian Securities Laws may be different from such requirements under U.S. securities Laws. Athabasca Securityholders should also be aware that other requirements under the Laws of Alberta and of Canada may differ from requirements under U.S. corporate and securities Laws.

The enforcement by investors of civil liabilities under U.S. securities Laws may be affected adversely by the fact that the Corporation exist under the Laws of Canada, and that some or all of its respective officers and directors are not residents of the United States and that all or a substantial portion of its respective assets may be located outside the

United States. Athabasca Securityholders may not be able to sue a Canadian corporation or its officers or directors in a Canadian court for violations of U.S. securities Laws. It may be difficult to compel a Canadian corporation and its affiliates to subject themselves to a judgment by a U.S. court.

Athabasca Securityholders should be aware that the transactions contemplated herein may have tax consequences both in Canada and in the United States. Athabasca Securityholders who are subject to United States federal taxation should be aware that the United States tax consequences to them of participating in the Arrangement are not described in this Circular. Certain information concerning the Canadian tax consequences of the Arrangement for Athabasca Securityholders who are United States residents is set forth under “*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada*” in this Circular, but such consequences may not be described fully herein. All Athabasca Securityholders should consult with their legal, tax, financial and accounting advisors to determine the particular tax consequences to them of the transactions contemplated by the Arrangement.

VOTING AND EXERCISE OF DISCRETION BY PROXIES OF ATHABASCA SECURITYHOLDERS

Each Athabasca Securityholder may instruct his or her proxy on how to vote their Athabasca Shares and Athabasca Options, as applicable, by completing the blanks on the applicable form of proxy. All Athabasca Shares and Athabasca Options represented at the Meeting by properly executed proxies will be voted for or against (including the voting on any ballot) and where a choice with respect to any matter to be acted upon has been specified in the proxy, the Athabasca Shares and Athabasca Options represented by the proxy will be voted for or against in accordance with such specification. **In the absence of any such specification, the Athabasca designees, if named as proxy, will vote FOR all the matters set out therein.**

The enclosed form of proxy confers discretionary authority upon the Athabasca designees, or other Persons named as proxy, with respect to amendments to or variations of matters identified in the Notice of Meeting and any other matters which may properly come before the Meeting. As of the date hereof, Athabasca is not aware of any amendments to, variations of, or other matters which may come before the Meeting. In the event that other matters or proposals properly come before the Meeting or any adjournment or postponements thereof, then the Athabasca designees intend to vote in accordance with the judgment of the management of Athabasca.

The Interim Order provides that a quorum for the Meeting is at least two persons present in person, each being an Athabasca Shareholder entitled to vote thereat or a duly appointed proxy or representative for an absent Athabasca Shareholder so entitled and representing not less than ten percent of the outstanding Athabasca Shares carrying voting rights at the Meeting.

FORWARD-LOOKING STATEMENTS

This Circular contains certain forward-looking information or statements (collectively referred to herein as “**forward-looking statements**”) within the meaning of applicable Securities Laws. All statements other than statements of present or historical fact are forward-looking statements. Forward-looking statements are often, but not always, identified by the use of words such as “anticipate”, “believe”, “plan”, “intend”, “objective”, “continuous”, “ongoing”, “estimate”, “expect”, “may”, “will”, “project”, “should” or similar words suggesting future outcomes. In particular, this Circular contains forward-looking statements relating to: the anticipated completion of the Arrangement; the perceived benefits and effect of the Arrangement; the consideration to be received by Athabasca Securityholders; certain steps in and timing of the Meeting, the Arrangement, the Final Order, the Effective Date and the delisting of the Athabasca Shares from the TSXV; the treatment of Athabasca Shareholders under tax Laws; and various steps to be taken pursuant to the Arrangement.

Various assumptions are used in making the forecasts or projections set out in forward-looking statements. In some instances, material assumptions are presented elsewhere in this Circular in connection with the forward-looking statements. Athabasca Securityholders are cautioned that the following list of material assumptions is not exhaustive. The material assumptions include, but are not limited to:

- Athabasca and AcquireCo complying with the terms and conditions of the Arrangement Agreement;

- no occurrence of any event, change or other circumstance that could give rise to the termination of the Arrangement Agreement;
- the approval of the Arrangement Resolution by the Athabasca Securityholders, being at least: (i) 66⅔% of the votes cast by all Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat; (ii) 66⅔% of the votes cast by all Athabasca Securityholders (voting as a single class), present in person or represented by proxy at the Meeting and entitled to vote thereat; and (iii) a majority of the votes cast by Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat, after excluding the votes cast by persons whose votes may not be included in determining minority approval pursuant to MI 61-101;
- the receipt of the Final Order;
- that all other conditions to the completion of the Arrangement will be satisfied or waived;
- no significant adverse changes in economic conditions that negatively influence the demand for Athabasca's services;
- the delisting of Athabasca Shares from the TSXV and the anticipated timing thereof;
- the application by Athabasca to cease to be a reporting issuer under applicable Canadian Securities Laws and the anticipated timing thereof;
- no unforeseen changes in the legislative and operating framework for the business of Athabasca; and
- no significant event occurring outside the Ordinary Course, such as a natural disaster or other calamity.

Although Athabasca considers that these assumptions are reasonable, there is no assurance that such assumptions will prove to be correct. By their very nature, forward-looking statements involve inherent risks and uncertainties and risks that forward-looking statements will not be achieved. As such, undue reliance should not be placed on forward-looking statements. A number of important factors could cause the actual results to differ materially from expectations, estimates and intentions expressed in the forward-looking statements, including those set out below and those detailed elsewhere in this Circular. Those factors include:

- the inability to satisfy the conditions to completion of the Arrangement including: (a) obtaining the required consents, permits or approval; (b) Securityholder Approval; and (c) the Final Order;
- the occurrence of an event, change or other circumstance that could give rise to the termination of the Arrangement Agreement; and
- the other factors discussed under “*Risk Factors*” in this Circular.

Readers are cautioned that the above list of factors that may affect future results is not exhaustive. Readers should also carefully consider the matters discussed under “*Risk Factors*” in this Circular and in Athabasca's AIF. The forward-looking statements contained in this Circular are made as of the date hereof and Athabasca does not undertake any obligation to update publicly or revise any of such information and statements, except as required by Securities Laws. The forward-looking statements contained herein are expressly qualified by the foregoing statements.

SUMMARY OF CIRCULAR

The following is a summary of the contents of this Circular. This summary is not intended to be complete and is qualified in its entirety by the more detailed information contained elsewhere in this Circular. Athabasca Securityholders should read this entire Circular, including the appendices. Capitalized terms used in this summary and elsewhere in this Circular and not otherwise defined are defined in the Glossary of Terms of this Circular.

Meeting of Athabasca Securityholders

Athabasca will hold the Meeting of Athabasca Securityholders at the Conference Centre of First Canadian Centre, located at 350 – 7th Avenue S.W. Calgary, Alberta T2P 3N9 on November 3, 2023 commencing at 10:00 a.m. (Calgary time). At the Meeting, the Athabasca Securityholders will be asked to consider and, if thought appropriate, to pass, with or without variation, the Arrangement Resolution, the full text of which is set out in Appendix A to this Circular. See “*The Arrangement – Vote Required to Approve the Arrangement*” in this Circular.

The Corporation encourages Athabasca Securityholders to vote their Athabasca Shares and Athabasca Options, as applicable, prior to the Meeting by following the instructions set out in the form of proxy or VIF received by such Athabasca Securityholders.

Parties to the Arrangement

Athabasca

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, Athabasca RockChain.

Athabasca is a reporting issuer in each of the provinces of British Columbia, Alberta and Ontario. Athabasca’s head office is located 4409 94 Street NW Edmonton, Alberta T6E 6T7 and its registered office is located at 10180 101 St NW #3200, Edmonton, Alberta T5J 3W8.

The Athabasca Shares are listed and posted for trading on the TSXV under the symbol “AMI”. On September 20, 2023, the last trading day completed prior to the announcement of the proposed Arrangement, the closing price of the Athabasca Shares on the TSXV was \$0.10 per Athabasca Share. On October 3, 2023, the closing price of the Athabasca Shares on the TSXV was \$0.14 per Athabasca Share.

See “*Information Concerning Athabasca*”.

AcquireCo

AcquireCo was incorporated under the Laws of the State of Delaware on March 26, 2015 and is controlled by Jon McCreary, a director of Athabasca. AcquireCo’s primary business is heavy civil construction and ready mix services.

AcquireCo’s head and registered offices are located at 1505 North Miller St. #260 Wenatchee, Washington 98801 USA. See “*Information Concerning AcquireCo*” in this Circular.

Purpose of the Arrangement

The purpose of the Arrangement is to provide a fair and advantageous liquidity event for Athabasca Shareholders and to complete a going private transaction of the Corporation. Pursuant to the Plan of Arrangement, AcquireCo will acquire all of the issued and outstanding Athabasca Shares, other than those owned, or over which control or direction is exercised, directly or indirectly, by the Ongoing Shareholder or Persons or entities related to the Ongoing Shareholder and Dissenting Shareholders, for Cash Consideration. At the Effective Time: (i) each Athabasca Option

outstanding that has an exercise price that is less than the Cash Consideration will be cancelled in exchange for an amount equal to the amount by which the Cash Consideration exceeds the exercise price thereof; (ii) each Athabasca Option outstanding that has an exercise price that is equal to or greater than the Cash Consideration will be cancelled in exchange for a cash payment equal to \$0.01; and (iii) each Athabasca DSU outstanding will be acquired by Athabasca for an amount equal to the Cash Consideration.

The Cash Consideration to be received by the Athabasca Shareholders pursuant to the Arrangement represents a 48% premium to the 120-day volume weighted average trading price of the Athabasca Shares immediately prior to the announcement of the Arrangement. The Cash Consideration also represents an approximate premium of 45% to the 20-day volume weighted average trading price of the Athabasca Shares immediately prior to the announcement of the Arrangement and a 45% premium to the closing price of the Athabasca Shares on the last trading day immediately prior to the announcement of the Arrangement.

The Corporation and AcquireCo entered into the Arrangement Agreement on September 20, 2023. The Arrangement Agreement sets out the steps to be taken by the Parties to prepare for and implement the Arrangement, contains certain covenants, representations and warranties of and from each of the Parties thereto, and contains various closing conditions which must be satisfied or waived in order for the Arrangement to be completed. In addition to being subject to the approval by Athabasca Securityholders, the Arrangement is also subject to the satisfaction or waiver of certain other conditions set out in the Arrangement Agreement. For a more detailed discussion of the Arrangement Agreement, see “*The Arrangement Agreement*” in this Circular. The full text of the Arrangement Agreement is attached hereto as Appendix B.

Background to the Arrangement

The Arrangement Agreement is the result of a months long process undertaken by the Corporation and the Special Committee with its financial advisor, Canaccord, in respect of potential strategic transactions. This Circular contains a detailed summary of the material events leading up to the negotiation of the Arrangement Agreement between the Corporation and AcquireCo and the material meetings, processes, negotiations, discussions and actions taken by the Corporation that preceded the execution and public announcement of the Arrangement Agreement.

See “*Background to the Arrangement*” in this Circular.

Reasons for the Arrangement

In unanimously determining that the Cash Consideration to be received by the Athabasca Shareholders is fair, from a financial point of view, to such Athabasca Shareholders and that the Arrangement and the entering into of the Arrangement Agreement is in the best interests of Athabasca and unanimously recommending that Athabasca Securityholders vote in favour of the Arrangement Resolution, the Special Committee considered and relied upon a number of factors, including, among others, the following:

- *Compelling Value Proposition and Market Premium* – The value of the Cash Consideration payable under the Arrangement to the Athabasca Shareholders represents a premium of approximately: (i) 45% to the closing price of the Athabasca Shares on the trading day immediately prior to the execution and announcement of the Arrangement Agreement; and (ii) approximately 48% to the 120 day volume weighted average trading price of the Athabasca Shares prior to such date;
- *Certainty of Value and Liquidity* – The fact that the Cash Consideration payable under the Arrangement is in cash provides Athabasca Shareholders with certainty of value and an immediate opportunity to dispose of all of their Athabasca Shares at a significant premium within a relatively illiquid and volatile market otherwise available to the Athabasca Shareholders;
- *Fairness Opinions Support Recommendation* – The Evans & Evans Fairness Opinion (as at September 20, 2023) provides that, subject to the assumptions, limitations and qualifications contained in such fairness opinion, the Cash Consideration to be received by the Athabasca Shareholders pursuant to the Arrangement is fair, from a financial point of view, to such Athabasca Shareholders. The Special Committee and the Board

considered the compensation arrangement of Evans & Evans when considering the opinions provided in the Evans & Evans Fairness Opinion. In particular, that Evans & Evans was engaged to provide the Evans & Evans Fairness Opinion on a fixed fee basis that was not contingent on the conclusions reached therein or the completion of the Arrangement. For more information, see “*Fairness Opinion and Financial Advisor*” in this Circular;

- *Process* – The Arrangement is the result of a thorough process conducted by the Special Committee, in consultation with its legal and financial advisors, and after careful consideration of various factors, including a considered review of other potential alternatives, as well as the Evans & Evans Fairness Opinion. Following the process, the Board has determined, upon unanimous recommendation of the Special Committee, that the Arrangement and the entering into of the Arrangement Agreement are in the best interests of Athabasca and unanimously recommends (with the director who is an Ongoing Director abstaining) that Athabasca Securityholders vote in favour of the Arrangement Resolution;
- *Strategic Alternatives* – The Special Committee’s assessment of the current and anticipated future opportunities and risks associated with the business, operations, assets, financial performance and condition of the Corporation should it continue as a public corporation. In that regard and in considering the status quo as an alternative to pursuing the Arrangement, the Special Committee assessed the volatile commodity markets in North America, Athabasca’s access to capital, Athabasca’s relatively high cost of capital, and Athabasca’s continuance as a going concern. In particular, if the Arrangement is not completed, the Corporation’s ability to continue as a going concern and to meet its obligations will be dependent upon generating positive cash flows from operations, as well as obtaining debt or equity financing on commercial terms. Certain matters as further set out in the Corporation’s audited annual financial statements for the year ended December 31, 2022 and 2021, have resulted in material uncertainties that may cast significant doubt on the ability of the Corporation to continue as a going concern. As such, the Board has determined that the completion of the Arrangement is in the best interests of Athabasca;
- *Customary Securityholder and Court Approvals Required* – Customary rights and approvals protect the interests of Athabasca Securityholders with respect to the Arrangement whereby the Arrangement Resolution must be approved by at least: (i) 66⅔% of the votes cast by all Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat; (ii) 66⅔% of the votes cast by all Athabasca Securityholders (voting as a single class), present in person or represented by proxy at the Meeting and entitled to vote thereat; (iii) a majority of the votes cast by Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat, after excluding the votes cast by persons whose votes may not be included in determining minority approval pursuant to MI 61-101; (iv) the Arrangement must be approved by the Court which will consider, among other things, the substantive and procedural fairness of the terms and conditions of the Arrangement to the Athabasca Shareholders; and (v) registered Athabasca Shareholders have been granted Dissent Rights with respect to the Arrangement; and
- *Closing Anticipated in a Timely Fashion* – The Special Committee’s belief that the Arrangement is reasonably likely to be completed in accordance with its terms and within a reasonable timeframe, with closing of the Arrangement currently expected in November 2023.

The Special Committee also considered a number of potential risks and potential negative factors relating to the Arrangement, including the following:

- the risks to the Corporation if the Arrangement is not completed, including the costs to the Corporation in pursuing the Arrangement, the diversion of management’s attention away from conducting the Corporation’s business in the ordinary course and the potential impact on the Corporation’s current business relationships (including with future and prospective employees, suppliers and partners);
- the risk to the Corporation if the Arrangement is not completed, that there will continue to be material uncertainty that may cast significant doubt about the Corporation’s ability to continue as a going concern;

- the fact that, following the Arrangement, the Corporation will no longer exist as a public corporation and Athabasca Shareholders will forego any future increase in value that might result from future growth and the potential achievement of the Corporation's long-term plans, balanced against the fact that Athabasca Shareholders will no longer be taking any risks of the business and the limited access to capital on terms commercially acceptable to the Corporation;
- the conditions to the obligations of AcquireCo to complete the Arrangement and the right of AcquireCo to terminate the Arrangement Agreement under certain limited circumstances;
- the limitations contained in the Arrangement Agreement on the Corporation's ability to solicit additional interest from third parties, as well as the fact that if the Arrangement Agreement is terminated under certain circumstances, the Corporation must pay the Termination Fee or Expense Reimbursement Fee to AcquireCo, as described under "*The Arrangement Agreement – Athabasca Termination Fee and Expense Reimbursement Fee*" in this Circular; and
- the fact that the Arrangement will be a taxable transaction and, as a result, Athabasca Shareholders will generally be required to pay taxes on any gains that result from their receipt of the Cash Consideration pursuant to the Arrangement.

The foregoing discussion of the information and factors considered and given weight by the Special Committee is not intended to be exhaustive. In reaching the determination to approve the entering into of the Arrangement Agreement and in recommending the approval of the Arrangement to the Athabasca Securityholders, the Special Committee did not assign any relative or specific weights to the foregoing factors, and individual directors may have given different weights to different factors. At the meeting of the Board, it unanimously (with the director who is an Ongoing Director abstaining) determined that the Arrangement is in the best interests of Athabasca and approved the Arrangement, including the Arrangement Agreement and the documents contemplated therein, and unanimously (with the director who is an Ongoing Director abstaining) resolved to recommend that Athabasca Securityholders vote in favour of the Arrangement Resolution.

Members of the Board and the Special Committee used their own knowledge and understanding of the business, financial condition, and prospects of Athabasca along with the assistance of Athabasca management, its legal and financial advisors and Evans & Evans in their evaluation of the Arrangement. The conclusions and recommendations of the Special Committee and the Board were arrived at after giving consideration to the totality of the information and factors involved.

See "*Reasons for the Arrangement*" in this Circular.

Recommendation of the Special Committee

The Special Committee, after consultation in its evaluation of the Arrangement with legal and financial advisors, and having taken into consideration such matters as it considered relevant, determined unanimously that the Arrangement is in the best interests of Athabasca and is fair to the Athabasca Shareholders, and resolved unanimously to recommend that the Board approve the entering into of the Arrangement Agreement and that the Board recommend that Athabasca Securityholders vote their Athabasca Shares and Athabasca Options, as applicable, in favour of the Arrangement Resolution. See "*The Special Committee*" in this Circular.

Recommendation of the Board

Based on, among other things, the unanimous recommendation of the Special Committee, the Board unanimously concluded (with the director who is an Ongoing Director abstaining) that the Arrangement and the entering into of the Arrangement Agreement are in the best interests of Athabasca and unanimously (with the director who is an Ongoing Director abstaining) recommends that Athabasca Securityholders vote FOR the Arrangement Resolution.

See "*Background to the Arrangement*" and "*Reasons for the Arrangement*" in this Circular.

Fairness Opinion and Financial Advisor

Athabasca engaged Evans & Evans to obtain a fairness opinion that would be independent of the Corporation's financial advisor, Canaccord. Accordingly, Athabasca informally engaged Evans & Evans in August 2023, and Evans & Evans was formally engaged by the Special Committee in September 2023. Pursuant to the Evans & Evans Agreement, Evans & Evans would prepare and provide an independent fairness opinion to the Board concerning the possible transaction between Athabasca and AcquireCo.

The terms of the Evans & Evans Agreement include that Evans & Evans is to be paid fees for its services, including a fixed fee, which is payable for the Evans & Evans Fairness Opinion and is not conditional on completion of the Arrangement. Athabasca has also agreed to reimburse Evans & Evans for certain out-of-pocket expenses.

The Canaccord Engagement Letter provides for payment to Canaccord of certain fees that are contingent on closing of the Arrangement.

In determining to proceed with the Arrangement and in making its determination to recommend the approval of the Arrangement to Athabasca Securityholders, the Special Committee and Board considered, among other things, the Evans & Evans Fairness Opinion, which states that, in the opinion of Evans & Evans, as at September 20, 2023 and subject to the assumptions, limitations and qualifications contained therein, the Cash Consideration to be paid to the Athabasca Shareholders pursuant to the Arrangement is fair, from a financial point of view, to the Athabasca Shareholders.

This summary is qualified in its entirety by reference to the full text of the Evans & Evans Fairness Opinion. The Special Committee and the Board urge Athabasca Securityholders to read the Evans & Evans Fairness Opinion carefully and in its entirety. The full text of the Evans & Evans Fairness Opinion, setting out the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken by Evans & Evans in connection with Evans & Evans Fairness Opinion, is attached to this Circular as Appendix E. The Evans & Evans Fairness Opinion addresses the fairness, from a financial point of view, of the consideration to be received by the Athabasca Shareholders pursuant to the Arrangement and does not address any other aspect of the Arrangement or any related transaction, including any legal, tax or regulatory aspects of the Arrangement to Athabasca or the Athabasca Shareholders. The Evans & Evans Fairness Opinion does not address the relative merits of the Arrangement as compared to any other strategic alternative that may be available to Athabasca. The Evans & Evans Fairness Opinion is not a recommendation as to how any Athabasca Shareholder should vote with respect to the Arrangement or any other matter. See "*Fairness Opinion Prepared and Financial Advisor*" in this Circular.

Effect of the Arrangement on Athabasca Securityholders

If completed, the Arrangement will result in the acquisition by AcquireCo of all of the issued and outstanding Athabasca Shares, other than Athabasca Shares already owned by Persons or entities related to AcquireCo, in exchange for the Cash Consideration being \$0.145 per Athabasca Share.

As at the date hereof, there are 78,582,686 Athabasca Shares issued and outstanding, of which the Corporation understands 15,473,446 Athabasca Shares (19.7%) are held by the Ongoing Shareholder, or Persons or entities related to the Ongoing Shareholder, and 63,109,240 Athabasca Shares (80%) are held by the Athabasca Shareholders, other than the Ongoing Shareholder.

Following the Arrangement, it is expected that the Athabasca Shares will be delisted from the TSXV. Promptly following the Effective Date, Athabasca will make an application to cease to be a "reporting issuer" under applicable Securities Laws. See "*The Arrangement – Effect of the Arrangement on Athabasca Securityholders*" in this Circular.

Treatment of Athabasca Options and Athabasca DSUs

Immediately prior to the Effective Time: (i) each Athabasca Option outstanding, whether vested or unvested, that has an exercise price that is less than the Cash Consideration will be cancelled in exchange for an amount equal to the

amount by which the Cash Consideration exceeds the exercise price thereof (less the amount of applicable withholdings); and (ii) each Athabasca Option outstanding that has an exercise price that is equal to or greater than the Cash Consideration will be cancelled in exchange for a cash payment equal to \$0.01 (less the amount of applicable withholdings).

Further, each Athabasca DSU that is outstanding immediately prior to the Effective Time shall, without any further action on behalf of such Athabasca DSU Holder, be deemed to be acquired by Athabasca for an amount equal to the Cash Consideration (less the amount of applicable withholdings). All Athabasca DSUs issued and outstanding immediately prior to the Effective Time shall, immediately following acquisition by Athabasca, be cancelled and the holder thereof shall only have the right to receive the Cash Consideration to which such holder is entitled.

Vote Required to Approve the Arrangement

Subject to any further order of the Court, the Interim Order provides that the Arrangement Resolution must be approved by the affirmative vote thereon at the Meeting by at least:

1. 66⅔% of the votes cast by all Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat;
2. 66⅔% of the votes cast by all Athabasca Securityholders (voting as a single class), present in person or represented by proxy at the Meeting and entitled to vote thereat; and
3. a majority of the votes cast by Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat, after excluding the votes cast by persons whose votes may not be included in determining minority approval pursuant to MI 61-101.

See “*The Arrangement – Business Combination under MI 61-101 – Minority Approval Requirements*” in this Circular.

Holders of approximately 23.8% of the outstanding Athabasca Shares and 56.2% of the outstanding Athabasca Options (which include all of the directors and executive officers of Athabasca and their associates and affiliates) have entered into Support Agreements with AcquireCo pursuant to which they have agreed, on the terms and conditions specified therein, to vote all of their Athabasca Shares and Athabasca Options, as applicable, in favour of the Arrangement Resolution.

See “*The Arrangement – Vote Required to Approve the Arrangement*” and “*Fairness Opinion and Financial Advisor*” in this Circular.

Court Approval

The Arrangement requires the Court’s approval of the Final Order. Prior to the mailing of this Circular, Athabasca obtained the Interim Order authorizing and directing Athabasca to call, hold and conduct the Meeting and to submit the Arrangement Resolution to the Athabasca Securityholders for approval. A copy of the Interim Order is attached as Appendix C to this Circular. Subject to the requisite approvals of the Arrangement Resolution by the Athabasca Securityholders at the Meeting, the hearing in respect of the Final Order is expected to take place at the Court of King’s Bench of Alberta in Edmonton, Alberta, on November 7, 2023. See “*The Arrangement – Court Approval*”, the Notice of Originating Application accompanying this Circular and the Interim Order at Appendix C to this Circular.

Other Conditions and Approvals

The completion of the Arrangement is also subject to a number of additional conditions and the receipt of any required regulatory approvals, in addition to the approvals of the Athabasca Securityholders and the Court, which are described in more detail under “*The Arrangement Agreement – Conditions of Closing*” in this Circular.

Interests of Certain Directors and Executive Officers of Athabasca in the Arrangement

In considering the recommendation of the Board, Athabasca Securityholders should be aware that certain members of the Board, namely Jon McCreary, who controls and is the sole manager of AcquireCo, and thereby has interests in the Arrangement or may receive benefits that may differ from, or be in addition to, the interests of Athabasca Securityholders generally. Such interests are described in further detail under the heading “*The Arrangement – Interests of Certain Directors and Executive Officers of Athabasca in the Arrangement*” in this Circular. The Board and Special Committee were aware of these interests and considered them, among other matters, when recommending approval of the Arrangement.

See “*The Arrangement – Interests of Certain Directors and Executive Officers of Athabasca in the Arrangement*” in this Circular.

MI 61-101

Athabasca is subject to MI 61-101. MI 61-101 regulates transactions which raise the potential for conflicts of interest and is intended to ensure that all securityholders of an issuer are treated in a manner that is fair and that is perceived to be fair with respect to these types of transactions. The Arrangement is a “business combination” (as defined in MI 61-101) and, accordingly, the requirements of MI 61-101 apply, including the requirement to obtain a majority of minority approval of the Arrangement from a simple majority of the votes cast at the Meeting in person or by proxy by the Athabasca Shareholders, excluding the votes cast in respect of Athabasca Shares beneficially owned or over which control or direction is exercised by any Persons whose votes must be excluded in accordance with MI 61-101.

As such, Athabasca must exclude the votes attached to Athabasca Shares that, to the knowledge of Athabasca or any “interested party” (as defined in MI 61-101) or their respective directors or senior officers, after reasonable inquiry, are beneficially owned or over which control or direction is exercised, directly or indirectly, by: (a) Athabasca; (b) an “interested party”; (c) a “related party” of an “interested party”, unless the “related party” meets that description solely in its capacity as a director or senior officer of one or more persons that are neither “interested parties” nor “issuer insiders” of Athabasca; or (d) “joint actors” with any person referred to in (b) or (c) above in respect of the transaction, all as defined in MI 61-101.

To the knowledge of Athabasca and its directors and officers, after reasonable inquiry, for the purposes of MI 61-101, it is expected that the votes in respect of an aggregate of 17,682,107 Athabasca Shares (representing approximately 22.50% of the issued and outstanding Athabasca Shares) beneficially owned, or over which control or direction is exercised, directly or indirectly, by: (i) Jon McCreary, a current director of Athabasca; and (ii) Mr. Paulencu, a director of Athabasca, will be excluded in determining whether “majority of the minority” approval for the purposes of MI 61-101 is obtained.

See “*The Arrangement – Business Combination under MI 61-101*” and “*Fairness Opinion and Financial Advisor*” and “*The Arrangement – Vote Required to Approve the Arrangement*” in this Circular.

Rights of Dissent

Pursuant to the Interim Order, registered holders of Athabasca Shares on the Effective Date have the right to dissent from the Arrangement Resolution upon strict compliance with the Dissent Procedures under Section 191 of the ABCA, as modified by the Interim Order and Plan of Arrangement, as described under “*Rights of Dissenting Athabasca Shareholders*”. Beneficial Shareholders should be aware that only registered holders of Athabasca Shares are entitled to exercise Dissent Rights. See “*Rights of Dissenting Athabasca Shareholders*” and Appendix C and Appendix D to this Circular.

Unless waived by AcquireCo, it is a condition to completion of the Arrangement that Dissent Rights in respect of the Arrangement shall not have been exercised in respect of more than 10% of the Athabasca Shares that have not been withdrawn at the Effective Time.

Certain Canadian Federal Income Tax Considerations

This Circular contains a summary of certain Canadian federal income tax considerations generally applicable to Athabasca Shareholders who, under the Arrangement, dispose of Athabasca Shares. Athabasca Shareholders are strongly urged to read carefully the general summary under “*Certain Canadian Federal Income Tax Considerations*” in this Circular and to consult their own tax advisors for advice with respect to their particular circumstances.

Payment of Consideration to Athabasca Shareholders

In order to receive the Cash Consideration for Athabasca Shares under the Arrangement, registered Athabasca Shareholders (who are not Dissenting Shareholders or the Ongoing Shareholder or Persons or entities related to the Ongoing Shareholder) must complete and sign the Letter of Transmittal that accompanies this Circular and surrender the original certificate(s), if any, representing their Athabasca Shares and all other required documents to the Depositary. If your Athabasca Shares are held through an intermediary, you should contact that intermediary for instructions and assistance.

TSX Trust Company is acting as the Depositary under the Plan of Arrangement. The Depositary will be responsible for receiving deposits of Athabasca Shares, Letters of Transmittal and accompanying documentation. It is requested that Athabasca Shareholders enclose copies of any DRS Advices representing their Athabasca Shares with their Letter of Transmittal. AcquireCo will cause the Depositary to cause payment to be made for all Athabasca Shares acquired under the Plan of Arrangement. See “*Procedures for Receipt of Consideration – Procedure for Exchange of Athabasca Shares for Consideration*” in this Circular.

Procedure for Exchange of Other Securities

As at the Effective Time, Athabasca will cause payment to the former holders of Athabasca DSUs and Athabasca Options the consideration to which they are entitled in accordance with the Plan of Arrangement, less applicable withholdings. Athabasca Optionholders and Athabasca DSU Holders do not need to deliver the Letter of Transmittal or any other certificates or documentation in order to receive the applicable consideration for such Athabasca Options and Athabasca DSUs.

No Athabasca Optionholder or Athabasca DSU Holder shall be entitled to receive any consideration with respect to such Athabasca Option or Athabasca DSU, as applicable, other than the consideration to which such holder is entitled to receive under the Plan of Arrangement and, for greater certainty, no such holder will be entitled to receive any interest, dividend, premium or other payment in connection therewith. See “*Procedures for Receipt of Consideration – Procedure for Exchange of Other Securities*” in this Circular.

Risk Factors

There are risks associated with non-completion of the Arrangement, including that the Arrangement Agreement may be terminated by Athabasca or AcquireCo in certain circumstances. The weighted average trading price of the Athabasca Shares for the 20 days prior to the announcement of the proposed Arrangement was \$0.10 per Athabasca Share. Moreover, if the Arrangement Agreement is terminated, or the Arrangement is not completed for any reason, there is no assurance that the Board will be able to find a party willing to pay an equivalent or a more attractive price for the Athabasca Shares than the value to be received by Athabasca Shareholders pursuant to the terms of the Arrangement. Further, if the Arrangement Agreement is terminated, or the Arrangement is not completed for any reason, Athabasca will still have incurred costs for pursuing the Arrangement, including both associated expenses and costs related to the diversion of management’s attention away from the conduct of Athabasca’s business. As well, if the Arrangement Agreement is terminated in certain circumstances, Athabasca may be obligated to pay the Termination Fee or the Expense Reimbursement Fee. See “*The Arrangement Agreement – Athabasca Termination Fee and Expense Reimbursement Fee*” in this Circular.

If the Arrangement is not completed, Athabasca will continue to face, and Athabasca Shareholders will be exposed to, the risks associated with continuing as a public corporation and the risks that it currently faces with respect to its business and affairs. Considering Athabasca’s current financial situation, it was perceived that a legitimate risk existed

that, if the Corporation continued on as a public corporation that the Corporation would face material uncertainties that could cast doubt on the Corporation to continue as a going concern. See “*Risk Factors*” in this Circular and in Athabasca’s AIF.

PURPOSE OF THE ARRANGEMENT

The purpose of the Arrangement is to provide a fair and advantageous liquidity event for Athabasca Shareholders and to complete a going private transaction of the Corporation. Pursuant to the Plan of Arrangement, AcquireCo will acquire all of the issued and outstanding Athabasca Shares, other than those owned, or over which control or direction is exercised, directly or indirectly, by the Ongoing Shareholder or Persons or entities related to the Ongoing Shareholder and Dissenting Shareholders, for cash consideration in an amount equal to \$0.145 per Athabasca Share. See “*Reasons for the Arrangement*” in this Circular.

The Cash Consideration to be received by the Athabasca Shareholders pursuant to the Arrangement represents a 48% premium to the 120-day volume weighted average trading price of the Athabasca Shares immediately prior to the announcement of the Arrangement. The Cash Consideration also represents an approximate premium of 45% to the 20-day volume weighted average trading price of the Athabasca Shares immediately prior to the announcement of the Arrangement and a 45% premium to the closing price of the Athabasca Shares on the last trading day immediately prior to the announcement of the Arrangement.

In the case of the Athabasca Options, each Athabasca Option outstanding at the Effective Time that has an exercise price that is less than the Cash Consideration shall be deemed to be terminated and cancelled in exchange for an amount equal to the amount by which the Cash Consideration exceeds the exercise price thereof, payable in cash to the Athabasca Optionholder in full satisfaction of Athabasca’s obligations under such cancelled Athabasca Option. Each Athabasca Option outstanding at the Effective Time that has an exercise price that is equal to or greater than the Cash Consideration shall be deemed to be terminated and cancelled in exchange for an amount equal to \$0.01 payable in cash to the Athabasca Optionholder in full satisfaction of Athabasca’s obligations under such surrendered Athabasca Option. In each case, the amount paid to the Athabasca Optionholder will be less applicable withholdings.

In the case of the Athabasca DSUs, each Athabasca DSU outstanding immediately prior to the Effective Time shall be deemed to be terminated and cancelled in exchange for an amount equal to the Cash Consideration payable in cash to the holder, in full satisfaction of Athabasca’s obligations under the Athabasca DSU Plan. In each case, the amount paid to the holder of Athabasca DSUs will be less applicable withholdings.

The Corporation and AcquireCo entered into the Arrangement Agreement on September 20, 2023. The Arrangement Agreement sets out the steps to be taken by the Parties to prepare for and implement the Arrangement, contains certain covenants, representations and warranties of and from each of the Parties, and contains various closing conditions which must be satisfied or waived in order for the Arrangement to be completed. In addition to being subject to the approval by Athabasca Securityholders, the Arrangement is also subject to the satisfaction or waiver of certain other conditions set out in the Arrangement Agreement. For a more detailed discussion of the Arrangement Agreement, see “*The Arrangement*”, “*The Arrangement Agreement*” and “*Risk Factors*” in this Circular.

BACKGROUND TO THE ARRANGEMENT

The provisions of the Arrangement Agreement are the result of negotiations conducted between the Special Committee and its legal and financial advisors, on the one hand, and representatives of AcquireCo and its legal advisors, on the other. The following is a summary of the material events, meetings, negotiations and discussions that preceded the execution and public announcement of the Arrangement Agreement.

Management of the Corporation and the Board regularly consider, monitor and evaluate opportunities to create and enhance shareholder value. From time to time, these opportunities have included potential strategic transactions with various industry participants and other interested parties, and management of the Corporation and the Board review and consider such potential transactions as they arise to determine whether pursuing them would be in the best interests of Athabasca. Management of the Corporation and the Board also regularly review and consider market conditions, service costs and other factors that affect the business, operations and affairs of the Corporation, including its growth and sustainability.

In January 2023, the Board convened to discuss the Corporation's financial situation, ongoing capital requirements of the Corporation's business and limited access to affordable capital, along with various options that could provide stability for the Corporation. During the course of these discussions, AcquireCo made a verbal offer to provide a short-term bridge loan to the Corporation in order to provide additional time to find a long-term solution to Athabasca's capital requirements. Concurrently with this offer, AcquireCo indicated that a potential solution would be for AcquireCo to make an offer to purchase all of the outstanding Athabasca Shares of the Corporation, other than Athabasca Shares already owned by Persons or entities related to AcquireCo.

At a subsequent Board meeting in January 2023, the Independent Directors met to discuss the proposed offer from AcquireCo to purchase all of the outstanding Athabasca Shares. Given the related-party nature of a potential transaction with AcquireCo, the Independent Directors commenced an independent strategic review process with a view to the best interests of Athabasca.

In March 2023, the Corporation received an unsolicited offer from AcquireCo following which the Independent Directors continued the independent strategic review process which considered, among other things, an equity or other financing to fund the Corporation's long-term business plan, or alternatively, if satisfactory financing was not available, the sale of individual assets or the entire Corporation.

Following a process to identify and select a financial advisor, Canaccord was engaged on March 27, 2023 as the Corporation's financial advisor to, among other things: prepare correspondence to potential purchasers for the Corporation outlining the procedures to be followed by prospective purchasers; consider strategic alternatives available to the Corporation; provide the Corporation and the Board with financial advice; and to work with the Corporation and its legal, accounting and tax advisors in completing the Arrangement.

During the next several months, the Independent Directors and management of the Corporation, with the assistance of Canaccord, developed a list of potential parties that might have an interest in participating in the Corporation's strategic alternatives process and prepared, among other things, marketing materials.

On March 29, 2023, Canaccord received notice from a reputable privately-held U.S. mining company ("**Bidder A**") that a proposal was expected to be delivered for a business combination transaction involving Bidder A and the Corporation. On April 25, 2023, Canaccord, was advised by a publicly listed energy services company ("**Bidder B**") that it was interested in a potential strategic acquisition of Athabasca.

Commencing on April 24, 2023, Canaccord conducted an outreach to potential strategic and financial counterparties. The counterparties expressing interest were sent a non-disclosure agreement (the "**Potential Parties**") that contained information to assist the Potential Parties in submitting a non-binding proposal.

The Board met on May 1, 2023 to receive a high-level update from management on the process and at that meeting, the Board formally approved the creation of the Special Committee comprised of the Independent Directors to, among other things, supervise the process and evaluate and supervise the negotiation of any potential transaction, and to make recommendations to the Board in that regard. The Special Committee received legal advice from the Corporation's legal counsel, Fasken Martineau DuMoulin LLP, in connection with the Special Committee's mandate.

In May 2023, Canaccord received preliminary, non-binding indications of interest from a number of Potential Parties, which were reviewed by the Special Committee.

On May 16, 2023, a non-binding indication of interest was received from Bidder A proposing a transaction with Athabasca whereby Bidder A would acquire all of the assets of Athabasca ("**All Assets**") for an amount between \$13 million and \$15 million in cash, subject to customary working capital adjustments. Bidder A also indicated that while their preference was to acquire All Assets through an acquisition structure, it would be willing to consider an alternative structure including an acquisition of all Athabasca Shares. Bidder A further indicated that in any event any potential transaction with Athabasca would be on a cash-free, debt-free basis.

In the event Athabasca accepted Bidder A's acquisition of All Assets for \$15 million, it would be required, at a minimum, to pay off its current Athabasca loans in the amount of \$4.7 million, leaving between \$8.3 million to \$10.3 million for distribution to Athabasca Shareholders, before transaction costs estimated to be \$1.74 million, which equals an implied value of \$0.106 to \$0.131 (the "**Implied Value**") per Athabasca Share. The Implied Value does not consider any taxes payable by Athabasca in connection with the sale of All Assets, nor the tax treatment on individual Athabasca Shareholders of the distribution of the consideration. This also does not factor any costs that would be required in connection with the winding up of Athabasca following a proposed transaction with Bidder A as Athabasca would no longer have an active business.

On May 17, 2023, the Corporation received a revised non-binding letter of intent from AcquireCo. On May 25, 2023, a non-binding indication of interest was received from Bidder B proposing an acquisition of all issued and outstanding Athabasca Shares in exchange for the common shares of Bidder B. The implied consideration was equal to \$0.11 per Athabasca Share. The proposal from Bidder B contained certain customary conditions, including an exclusivity period of 120 days.

On June 9, 2023, the Special Committee convened a meeting to discuss how to respond to Bidder A and Bidder B's proposals and discussed the merits of the proposals and considered financial advice from Canaccord. The Special Committee determined, relying on, without limitation, advice from Canaccord that the price proposed by Bidder A and Bidder B was not sufficient and to advise Bidder A and Bidder B that Athabasca was not interested in pursuing a transaction at such price.

On June 9, 2023, the Special Committee met with Canaccord to receive an update on the negotiations with the Potential Parties and to review and consider the revised non-binding letter of intent from AcquireCo as a result of the ongoing negotiations. At that meeting, the Special Committee determined that it was in the best interest of the Corporation and its shareholders to engage in exclusive negotiations with AcquireCo, and authorized the Corporation to negotiate the non-binding letter of intent. On June 30, 2023 the Corporation entered into a letter of intent with AcquireCo.

The Corporation and AcquireCo, together with their respective legal and financial advisors, continued to engage in negotiations regarding the terms and conditions of AcquireCo's proposal and the definitive agreements necessary to consummate a transaction if agreed to, and AcquireCo continued its due diligence of the Corporation. The Special Committee met on several occasions to receive updates on the status of negotiations and on other matters relating to the process and the proposed Arrangement, and provided its advice and direction.

In August 2023, Athabasca informally engaged Evans & Evans to obtain a fairness opinion that would be independent of the Corporation's financial advisor, Canaccord. Commencing in September 2023, the Special Committee formally engaged Evans & Evans in respect of the Arrangement to provide an independent fairness opinion. Evans & Evans rendered an oral opinion on September 20, 2023, which was confirmed by delivery of a written opinion dated September 20, 2023, to the Special Committee to the effect that, as of that date and based on and subject to the assumptions made, procedures followed, matters considered and limitations and qualifications on the review undertaken, the Cash Consideration to be received in the Arrangement by holders of Athabasca Shares pursuant to the Arrangement Agreement was fair, from a financial point of view, to such holders. After reviewing the terms of the proposed Arrangement Agreement and having taken into consideration such matters as it considered relevant, the Special Committee unanimously determined that the Arrangement Agreement is in the best interests of Athabasca and is fair to the Athabasca Shareholders. Accordingly, the Special Committee unanimously recommended that the Board approve the Arrangement Agreement and recommended that the Athabasca Securityholders vote their Athabasca Shares and Athabasca Options, as applicable, in favour of the Arrangement.

Immediately following the Special Committee meeting, the Board (with the director who is an Ongoing Director abstaining), having received the recommendation of the Special Committee and having taken into consideration such matters as it considered relevant, unanimously determined that the Arrangement is in the best interest of the Corporation, and unanimously approved the terms of the Arrangement and the Arrangement Agreement and resolved to recommend that the Athabasca Securityholders vote their Athabasca Shares and Athabasca Options, as applicable, in favour of the Arrangement.

Effective September 20, 2023 the Corporation and AcquireCo entered into the Arrangement Agreement, which was the result of extensive negotiations between management of the Corporation, the Special Committee, AcquireCo and

their respective advisors. Prior to the open of trading on the TSXV on September 21, 2023 the Corporation publicly announced the proposed Arrangement.

REASONS FOR THE ARRANGEMENT

In unanimously determining that the Cash Consideration to be received by the Athabasca Shareholders is fair, from a financial point of view, to such Athabasca Shareholders and that the Arrangement and the entering into of the Arrangement Agreement are in the best interests of Athabasca and unanimously recommending that Athabasca Securityholders vote in favour of the Arrangement Resolution, the Special Committee considered and relied upon a number of factors, including, among others, the following:

- *Compelling Value Proposition and Market Premium* – The value of the Cash Consideration payable under the Arrangement to the Athabasca Shareholders represents a premium of approximately: (i) 45% to the closing price of the Athabasca Shares on the trading day immediately prior to the execution and announcement of the Arrangement Agreement; and (ii) approximately 48% to the 120 day volume weighted average trading price of the Athabasca Shares prior to such date;
- *Certainty of Value and Liquidity* – The fact that the Cash Consideration payable under the Arrangement is in cash provides Athabasca Shareholders with certainty of value and an immediate opportunity to dispose of all of their Athabasca Shares at a significant premium within a relatively illiquid and volatile market otherwise available to the Athabasca Shareholders;
- *Fairness Opinions Support Recommendation* – The Evans & Evans Fairness Opinion (as at September 20, 2023) provides that, subject to the assumptions, limitations and qualifications contained in such fairness opinion, the Cash Consideration to be received by the Athabasca Shareholders pursuant to the Arrangement is fair, from a financial point of view, to such Athabasca Shareholders. The Special Committee and the Board considered the compensation arrangement of Evans & Evans when considering the opinions provided in the Evans & Evans Fairness Opinion. In particular, that Evans & Evans was engaged to provide the Evans & Evans Fairness Opinion on a fixed fee basis that was not contingent on the conclusions reached therein or the completion of the Arrangement. For more information, see “*Fairness Opinion and Financial Advisor*” in this Circular;
- *Process* – The Arrangement is the result of a thorough process conducted by the Special Committee, in consultation with its legal and financial advisors, and after careful consideration of various factors, including a considered review of other potential alternatives, as well as the Evans & Evans Fairness Opinion. Following the process, the Board has determined, upon unanimous recommendation of the Special Committee, that the Arrangement and the entering into of the Arrangement Agreement are in the best interests of Athabasca and unanimously (with the director who is an Ongoing Director abstaining) recommends that Athabasca Securityholders vote in favour of the Arrangement Resolution;
- *Strategic Alternatives* – The Special Committee’s assessment of the current and anticipated future opportunities and risks associated with the business, operations, assets, financial performance and condition of the Corporation should it continue as a public corporation. In that regard and in considering the status quo as an alternative to pursuing the Arrangement, the Special Committee assessed the volatile commodity markets in North America, Athabasca’s access to capital, Athabasca’s relatively high cost of capital, and Athabasca’s continuance as a going concern. In particular, if the Arrangement is not completed, the Corporation’s ability to continue as a going concern and to meet its obligations will be dependent upon generating positive cash flows from operations, as well as obtaining debt or equity financing on commercial terms. Certain matters as further set out in the Corporation’s audited annual financial statements for the year ended December 31, 2022 and 2021, have resulted in material uncertainties that may cast significant doubt on the ability of the Corporation to continue as a going concern. As such, the Board has determined that the completion of the Arrangement is in the best interests of Athabasca;
- *Customary Securityholder and Court Approvals Required* – Customary rights and approvals protect the interests of Athabasca Securityholders with respect to the Arrangement whereby the Arrangement Resolution

must be approved by at least: (i) 66⅔% of the votes cast by all Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat; (ii) 66⅔% of the votes cast by all Athabasca Securityholders (voting as a single class), present in person or represented by proxy at the Meeting and entitled to vote thereat; (iii) a majority of the votes cast by Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat, after excluding the votes cast by persons whose votes may not be included in determining minority approval pursuant to MI 61-101; (iv) the Arrangement must be approved by the Court which will consider, among other things, the substantive and procedural fairness of the terms and conditions of the Arrangement to the Athabasca Shareholders; and (v) registered Athabasca Shareholders have been granted Dissent Rights with respect to the Arrangement; and

- *Closing Anticipated in a Timely Fashion* – The Special Committee’s belief that the Arrangement is reasonably likely to be completed in accordance with its terms and within a reasonable timeframe, with closing of the Arrangement currently expected in November 2023.

The Special Committee also considered a number of potential risks and potential negative factors relating to the Arrangement, including the following:

- the risks to the Corporation if the Arrangement is not completed, including the costs to the Corporation in pursuing the Arrangement, the diversion of management’s attention away from conducting the Corporation’s business in the ordinary course and the potential impact on the Corporation’s current business relationships (including with future and prospective employees, suppliers and partners);
- the risk to the Corporation if the Arrangement is not completed, that there will continue to be material uncertainty that may cast significant doubt about the Corporation’s ability to continue as a going concern;
- the fact that, following the Arrangement, the Corporation will no longer exist as a public corporation and Athabasca Shareholders will forego any future increase in value that might result from future growth and the potential achievement of the Corporation’s long-term plans, balanced against the fact that Athabasca Shareholders will no longer be taking any risks of the business and the limited access to capital on terms commercially acceptable to the Corporation;
- the conditions to the obligations of AcquireCo to complete the Arrangement and the right of AcquireCo to terminate the Arrangement Agreement under certain limited circumstances;
- the limitations contained in the Arrangement Agreement on the Corporation’s ability to solicit additional interest from third parties, as well as the fact that if the Arrangement Agreement is terminated under certain circumstances, the Corporation must pay the Termination Fee or the Expense Reimbursement Fee to AcquireCo, as described under “*The Arrangement Agreement – Athabasca Termination Fee and Expense Reimbursement Fee*” in this Circular; and
- the fact that the Arrangement will be a taxable transaction and, as a result, Athabasca Shareholders will generally be required to pay taxes on any gains that result from their receipt of the Cash Consideration pursuant to the Arrangement.

The foregoing discussion of the information and factors considered and given weight by the Special Committee is not intended to be exhaustive. In reaching the determination to approve the entering into of the Arrangement Agreement and in recommending the approval of the Arrangement to the Athabasca Securityholders, the Special Committee did not assign any relative or specific weights to the foregoing factors, and individual directors may have given different weights to different factors. At the meeting of the Board, the Board unanimously (with the director who is an Ongoing Director abstaining) determined that the Arrangement is in the best interests of Athabasca and approved the Arrangement, including the Arrangement Agreement and the documents contemplated therein, and unanimously (with the director who is an Ongoing Director abstaining) resolved to recommend that Athabasca Securityholders vote in favour of the Arrangement Resolution.

Members of the Board and the Special Committee used their own knowledge and understanding of the business, financial condition, and prospects of Athabasca along with the assistance of Athabasca management, its legal and financial advisors and Evans & Evans in their evaluation of the Arrangement. The conclusions and recommendations of the Special Committee and the Board were arrived at after giving consideration to the totality of the information and factors involved.

THE SPECIAL COMMITTEE

Membership

The Special Committee is comprised of two independent (within the meaning of Securities Laws) and experienced directors who assisted Athabasca in its review and, among other matters, evaluation of the proposed Arrangement, being Messrs. Paulencu (Chairman) and Nolan. The members of the Special Committee have a significant amount of experience in the financial, aggregates and construction industries and are members of the boards of other entities. Mr. Paulencu, the Chairman of the Special Committee was the main point of contact between the Special Committee, the Special Committee's financial and legal advisors, Athabasca's legal advisors and representatives of AcquireCo.

Review of the Special Committee

The mandate, review process and deliberations of the Special Committee in respect of the Arrangement are described under "*Background to the Arrangement*" in this Circular. During the course of its evaluation of strategic alternatives, deliberations and in arriving at their determinations, the Special Committee met with Canaccord formally and informally a multitude of times to review, assess, consider and discuss numerous factors in connection with, among other matters, the proposed Arrangement, including but not limited to, the reasons for and benefits set forth under "*Reasons for the Arrangement*" in this Circular within the context of strategic alternatives potentially available to Athabasca. In addition, the Special Committee independently evaluated the Cash Consideration to be received by Athabasca Shareholders under the Arrangement and considered the impact of the Arrangement on all stakeholders of Athabasca. See "*Background to the Arrangement*" in this Circular. The Special Committee also considered a number of elements of the transaction that provide protection to the Athabasca Shareholders as set forth above under "*Reasons for the Arrangement*" in this Circular.

Recommendation of the Special Committee

Following a comprehensive process, and after consultation with its legal and financial advisors, and careful consideration of the Evans & Evans Fairness Opinion and taking into account the best interests of Athabasca and the impact of the Arrangement on stakeholders of Athabasca, the Special Committee unanimously determined, and recommended that the Board determine, that the Arrangement and the entering into of the Arrangement Agreement are in the best interests of Athabasca and, based on the foregoing, that the Board recommend that Athabasca Securityholders vote in favour of the Arrangement Resolution.

RECOMMENDATION OF THE BOARD

Based on, among other things, the unanimous recommendation of the Special Committee, the Board unanimously concluded (with the director who is an Ongoing Director abstaining) that the Arrangement and the entering into of the Arrangement Agreement are in the best interests of Athabasca and unanimously (with the director who is an Ongoing Director abstaining) recommends that Athabasca Securityholders vote FOR the Arrangement Resolution.

All of the directors of Athabasca and their associates and affiliates have entered into Support Agreements with AcquireCo pursuant to which they have agreed, on the terms and conditions specified therein, to vote all of their Athabasca Shares and Athabasca Options, as applicable, FOR the Arrangement Resolution.

FAIRNESS OPINION AND FINANCIAL ADVISOR

Selection of Evans & Evans

Athabasca engaged Evans & Evans to obtain a fairness opinion that would be independent of the Corporation's financial advisor, Canaccord. Accordingly, Athabasca informally engaged Evans & Evans in August 2023, and Evans & Evans was formally engaged by the Special Committee in September 2023. Pursuant to the Evans & Evans Agreement, Evans & Evans would prepare and provide an independent fairness opinion to the Board concerning the possible transaction between Athabasca and AcquireCo.

The terms of the Evans & Evans Agreement include that Evans & Evans is to be paid fees for its services, including a fixed fee, which is payable for the Evans & Evans Fairness Opinion and is not conditional on completion of the Arrangement. Athabasca has also agreed to reimburse Evans & Evans for certain out-of-pocket expenses.

Evans & Evans Credentials

Details regarding Evans & Evans qualifications and credentials are set forth in the Evans & Evans Fairness Opinion in Appendix E to this Circular.

Independence of Evans & Evans

Neither Evans & Evans nor any of its affiliates or associates is an insider, associate or affiliate (as those terms are defined in the Securities Act) of Athabasca or AcquireCo. Neither Evans & Evans nor any of its affiliates is acting as an advisor to Athabasca or AcquireCo in connection with any matter, other than acting as a financial advisor to the Special Committee pursuant to the Evans & Evans Agreement as outlined above and as further described in the Evans & Evans Fairness Opinion.

There are no understandings, agreements or commitments between Evans & Evans, Athabasca and/or AcquireCo with respect to future business dealings nor has Evans & Evans participated in any financings involving any of the foregoing parties within the past two years. Evans & Evans may, in the future, in the ordinary course of business, provide financial advisory, investment banking or other financial services to Athabasca and/or AcquireCo.

Assumptions and Limitations

For the purpose of the Evans & Evans Fairness Opinion, Evans & Evans relied upon and assumed the completeness, accuracy and fair presentation of, all financial information, business plans, forecasts and other information, data, advice, opinions and representations obtained by it from public sources or provided by Athabasca or its affiliates or any of their respective officers, directors, consultants, advisors or representatives (collectively, the "**Information**"). The Evans & Evans Fairness Opinion is conditional upon such completeness, accuracy and fair presentation of the Information. Evans & Evans has not been requested to, and has not assumed any obligation to, independently verify the completeness, accuracy or fair presentation of any of the Information.

The Evans & Evans Fairness Opinion was rendered as of September 20, 2023 and Evans & Evans disclaims any undertaking or obligation to advise any Person of any change in any fact or matter affecting the Evans & Evans Fairness Opinion which may come or be brought to the attention of Evans & Evans after September 20, 2023.

Canaccord's Engagement

Canaccord was formally appointed as an additional financial advisor on March 27, 2023 in connection with, among other things, considering strategic alternatives available to Athabasca pursuant to the Canaccord Engagement Letter.

Fee's Payable to Canaccord

Pursuant to the terms of the Canaccord Engagement Letter, Athabasca is obligated to pay Canaccord certain fees for its services that are contingent on closing of the Arrangement.

Under the Canaccord Engagement Letter, Canaccord is also entitled to be reimbursed for all reasonable out-of-pocket expenses incurred by it in connection with its engagement. Athabasca has also agreed to indemnify Canaccord in respect of certain liabilities which may arise out of its engagement.

Athabasca Securityholders are urged to read the Evans & Evans Fairness Opinion in its entirety. This summary of the Evans & Evans Fairness Opinion is qualified in its entirety by the full text of such opinion. See Appendix E to this Circular for the full text of the Evans & Evans Fairness Opinion.

THE ARRANGEMENT

The following is a summary only of the material terms of the Plan of Arrangement and the Arrangement. Athabasca Securityholders are urged to read the Plan of Arrangement, attached as Schedule A to Appendix B to this Circular, in its entirety. A copy of the Arrangement Agreement is attached as Appendix B to this Circular.

Effect of the Arrangement on Athabasca Securityholders

If completed, the Arrangement will result in the acquisition by AcquireCo of all of the issued and outstanding Athabasca Shares, other than Athabasca Shares already owned by Persons or entities related to AcquireCo, in exchange for the Cash Consideration being \$0.145 per Athabasca Share.

As at the date hereof, there are 78,582,686 Athabasca Shares issued and outstanding, of which the Corporation understands 15,473,446 Athabasca Shares (19.7%) are held by the Ongoing Shareholder, or Persons or entities related to the Ongoing Shareholder, and 63,109,240 Athabasca Shares (80%) are held by the Athabasca Shareholders, other than the Ongoing Shareholder.

The Plan of Arrangement provides that any certificate formerly representing Athabasca Shares that were transferred to AcquireCo pursuant to the Plan of Arrangement not duly surrendered on or before the day prior to the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Athabasca Shares of any kind or nature against or in AcquireCo or Athabasca.

Following the Arrangement, it is expected that the Athabasca Shares will be delisted from the TSXV. Promptly following the Effective Date, Athabasca will make an application to cease to be a “reporting issuer” under applicable Securities Laws. See “*The Arrangement – Effect of the Arrangement on Athabasca Securityholders*” in this Circular.

Treatment of Athabasca Options and Athabasca DSUs

Immediately prior to the Effective Time: (i) each Athabasca Option outstanding, whether vested or unvested, that has an exercise price that is less than the Cash Consideration will be cancelled in exchange for an amount equal to the amount by which the Cash Consideration exceeds the exercise price thereof (less the amount of applicable withholdings); and (ii) each Athabasca Option outstanding that has an exercise price that is equal to or greater than the Cash Consideration will be cancelled in exchange for a cash payment equal to \$0.01 (less the amount of applicable withholdings).

Further, each Athabasca DSU that is outstanding immediately prior to the Effective Time shall, without any further action on behalf of such Athabasca DSU Holder, be deemed to be acquired by Athabasca for an amount equal to the Cash Consideration (less the amount of applicable withholdings). All Athabasca DSUs issued and outstanding immediately prior to the Effective Time shall, immediately following acquisition by Athabasca, be cancelled and the holder thereof shall only have the right to receive the Cash Consideration to which such holder is entitled.

Principal Arrangement Steps

If Securityholder Approval is obtained at the Meeting and the Court and the other conditions to completion thereof are satisfied or waived, the following transactions will occur, among other things:

- (i) notwithstanding the terms of the Athabasca RSU Plan, and there being no Athabasca RSUs outstanding under the Athabasca RSU Plan, the Athabasca RSU Plan shall be terminated and cease to have any further force or effect, and all rights issued pursuant to the Athabasca RSU Plan shall be terminated and cancelled without any payment in respect thereof;
- (ii) notwithstanding the terms of the Athabasca ESP Plan, and there being no participants or Athabasca Shares outstanding under the Athabasca ESP Plan, the Athabasca ESP Plan shall be terminated and cancelled without any payment in respect thereof;
- (iii) in accordance with the Athabasca DSU Plan, the Board has accelerated the vesting of all Athabasca DSUs to the date and time immediately prior to the Effective Time, and as contemplated by section 6.1(b) of the Athabasca DSU Plan, each Athabasca DSU shall be acquired by Athabasca for an amount equal to the Cash Consideration, payable in cash (less the amount of applicable withholdings in accordance with the Plan of Arrangement). Immediately following the acquisition of all Athabasca DSUs by Athabasca, the Athabasca DSU Plan shall be terminated and all obligations in respect of the Athabasca DSUs shall be deemed to be fully satisfied and the holders thereof shall cease to have any rights or claims in respect thereof other than the right to receive the Cash Consideration contemplated under the Plan of Arrangement;
- (iv) notwithstanding the terms of the Athabasca Option Plan or any applicable award agreements in relation thereto, and whereby the Board has accelerated the vesting of each Athabasca Option to the date and time immediately prior to the Effective Time in accordance with the Athabasca Option Plan, the Athabasca Option Plan shall be terminated and each Athabasca Option, that has not, prior to the Effective Time, been exercised or terminated in accordance with its terms shall, without any further action or formality on behalf of the holder thereof and Athabasca and without any payment by such Athabasca Optionholder, be deemed to be transferred to Athabasca as follows:
 - (a) in respect of each Athabasca Option outstanding at the Effective Time that has an exercise price that is less than the Cash Consideration, the applicable Athabasca Option shall be deemed to be terminated and cancelled in exchange for, an amount equal to the amount by which the Cash Consideration exceeds the exercise price thereof, payable in cash (less the amount of applicable withholdings) to the Athabasca Optionholder in accordance with the Plan of Arrangement in full satisfaction of Athabasca's obligations under such surrendered Athabasca Option; and
 - (b) in respect of each Athabasca Option outstanding at the Effective Time that has an exercise price that is equal to or greater than the Cash Consideration, the applicable Athabasca Option shall be deemed to be terminated and cancelled in exchange for, an amount equal to \$0.01, payable in cash (less the amount of applicable withholdings) to the Athabasca Optionholder in accordance with the Plan of Arrangement in full satisfaction of Athabasca's obligations under such terminated and cancelled Athabasca Option,

whereupon all Athabasca Options shall be, and shall be deemed to be, cancelled by Athabasca, all obligations in respect of the Athabasca Options shall be deemed to be fully satisfied, and the holders thereof shall cease to have any rights or claims in respect thereof other than the right to receive the consideration contemplated under the Plan of Arrangement.

For the detailed steps of the Plan of Arrangement, please see the Plan of Arrangement appended as Schedule A to the Arrangement Agreement attached to this Circular as Appendix B.

Interests of Certain Directors and Executive Officers of Athabasca in the Arrangement

The executive officers of Athabasca and the Ongoing Director have interests in the Arrangement that are different from, or in addition to, the interests of other Athabasca Securityholders. These interests include those described below. The Board and Special Committee were aware of these interests and considered them, among other matters, when recommending approval of the Arrangement.

Athabasca Shares and Athabasca Options Held

As the date of this Circular, the directors and executive officers of Athabasca and their associates, as a group, beneficially owned, directly or indirectly, or controlled or directed an aggregate of: (i) 18,700,556 Athabasca Shares, representing approximately 23.8% of the outstanding Athabasca Shares; and (ii) 1,603,400 Athabasca Options, representing approximately 56.2% of the outstanding Athabasca Options.

All of the directors and executive officers of Athabasca and their associates and affiliates have entered into Support Agreements with AcquireCo. See “*The Arrangement – Support Agreements*” in this Circular.

Executive Officer Employment Arrangements

Athabasca entered into the Churchill Employment Agreement pursuant to which Athabasca engaged John David Churchill to act as the CFO of Athabasca. Athabasca also entered into the Archibald Employment Agreement pursuant to which Athabasca engaged Dana Archibald to act as the CEO of Athabasca. Under the Executive Employment Agreements, John David Churchill and Dana Archibald are entitled to receive a severance payment in the event that a change of control of the Corporation and Good Reason occurs or is deemed to have occurred.

For the purposes of the Executive Employment Agreements, a “**change of control**” is defined as: (i) the acceptance by the Athabasca Shareholders, representing in the aggregate more than 50% of all issued and outstanding Athabasca Shares, of any offer, whether by way of a takeover bid or otherwise, for any or all of the Athabasca Shares; (ii) the acquisition hereafter, by whatever means (including, without limitation, by way of an arrangement, merger or amalgamation), by a person (or two or more acting jointly or in concert), directly or indirectly, of the beneficial ownership of, or control or direction over, Athabasca Shares or rights to acquire Athabasca Shares, together with such person’s then owned Athabasca Shares and rights to acquire Athabasca Shares, if any, representing more than 50% in aggregate of all issued and outstanding Athabasca Shares (except where such acquisition is part of a bona fide reorganization of the Corporation in circumstances where the affairs of the Corporation are continued, directly or indirectly, and where the shareholdings remain substantially the same following the reorganization as existed prior to the re-arrangement); (iii) the passing of a resolution by the Athabasca Shareholders to substantially liquidate the assets or wind-up or significantly rearrange the affairs of the Corporation in one or more transactions or series of transactions (including by way of an arrangement, merger or amalgamation) or the commencement of proceedings for such liquidation, winding-up or re-arrangement (except where such resolution relates to a liquidation, winding-up or rearrangement as part of a bona fide reorganization of the Corporation in circumstances where the affairs of the Corporation are continued, directly or indirectly, and where the shareholdings remain substantially the same following the reorganization as existed prior to the re-arrangement); (iv) the sale by the Corporation of all or substantially all of its assets (other than to an affiliate of the Corporation in circumstances where the affairs of the Corporation is continued, directly or indirectly, and where the shareholdings of the Corporation remain substantially the same following the sale as existed prior to the sale); (v) individuals who were proposed as nominees (but not including nominees under a shareholder proposal) to become directors of the Corporation immediately prior to a meeting of the Athabasca Shareholders involving a contest for, or an item of business relating to the election of directors of the Corporation, not constituting a majority of the directors of the Corporation following such election; or (vi) any other event which, in the opinion of the Board, reasonably constitutes a change of control of the Corporation.

For the purposes of the Executive Employment Agreements, “**Good Reason**” is an adverse and material change by the Corporation or its successor in title, without the agreement of the employee, in any of the employee’s duties, powers, rights, discretions, salary, title or lines of reporting, such that immediately after such change or series of changes, the responsibilities and status of the employee, taken as a whole, are not at least substantially equivalent to those assigned to him or her immediately prior to such change, or any other reason which would be considered to amount to constructive dismissal by courts in Alberta, whether or not such adverse change occurs prior to or after a change of control.

Athabasca Options Held

The executive officers of Athabasca hold Athabasca Options to purchase up to 958,400 Athabasca Shares at exercise prices ranging from \$0.14 to \$0.57 per Athabasca Share representing approximately 28.0% of the outstanding Athabasca Options.

Continuing Indemnification and Insurance

AcquireCo and Athabasca have agreed under the Arrangement Agreement that Athabasca will purchase run off directors' and officers' liability insurance as further set out in the Disclosure Letter. AcquireCo and Athabasca have also agreed that AcquireCo shall: (i) indemnify, defend, and hold harmless, the current officers and directors of Athabasca and its subsidiaries in relation to the matters set forth in Schedule 7.6(a) of the Disclosure Letter; and (ii) directly honour all rights to indemnification or exculpation now existing in favour of present and former officers and directors of Athabasca and its subsidiaries, and acknowledge that such rights shall survive the completion of the Plan of Arrangement and shall continue in full force and effect.

Vote Required to Approve the Arrangement

Subject to any further order of the Court, the Interim Order provides that the Arrangement Resolution must be approved by the affirmative vote thereon at the Meeting by at least:

1. 66⅔% of the votes cast by all Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat;
2. 66⅔% of the votes cast by all Athabasca Securityholders (voting as a single class), present in person or represented by proxy at the Meeting and entitled to vote thereat; and
3. a majority of the votes cast by Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat, after excluding the votes cast by persons whose votes may not be included in determining minority approval pursuant to MI 61-101.

To the knowledge of Athabasca and its directors and officers, after reasonable inquiry, for the purposes of MI 61-101, it is expected that the votes in respect of an aggregate of 17,682,107 Athabasca Shares (representing approximately 22.50% of the issued and outstanding Athabasca Shares) beneficially owned, or over which control or direction is exercised, directly or indirectly, by: (i) Jon McCreary, a current director of Athabasca; and (ii) Mr. Paulencu, a director of Athabasca, will be excluded in determining whether "majority of the minority" approval for the purposes of MI 61-101 is obtained.

See "*The Arrangement – Business Combination under MI 61-101 – Minority Approval Requirements*" in this Circular.

Business Combination under MI 61-101

Athabasca is a reporting issuer in the provinces of British Columbia, Alberta and Ontario, and accordingly is subject to MI 61-101.

MI 61-101 is intended to regulate certain transactions to ensure equality of treatment among securityholders, generally requiring enhanced disclosure, approval by a majority of securityholders excluding interested or related parties, independent valuations and, in certain instances, approval and oversight of the transaction by a special committee of independent directors. The protections of MI 61-101 apply to, among other transactions, "business combinations" (as defined in MI 61-101). MI 61-101 provides that where a "related party" (as defined in MI 61-101) of an issuer whether alone or with joint actors, would, as a consequence of a transaction, directly or indirectly acquire an issuer or the business of an issuer or is entitled to receive, directly or indirectly, as a consequence of the transaction consideration per equity security that is not identical in amount and form to the entitlement of the general body of holders in Canada of securities of the same class, such transaction may be considered a "business combination" for the purposes of MI 61-101.

Jon McCreary is a "related party" of Athabasca pursuant to MI 61-101 as a result of his beneficial ownership of, or control or direction over, directly or indirectly, or a combination of beneficial ownership of, and control or direction over, directly or indirectly, securities of Athabasca carrying more than 10% of the voting rights attached to all of Athabasca's outstanding voting securities.

A transaction will constitute a “business combination” within the meaning of MI 61-101 where, among other things, a person that is a “related party” of the issuer, at the time the transaction was agreed to: (i) would, as a consequence of the transaction, directly or indirectly acquire the issuer or the business of the issuer, or combine with the issuer, through an amalgamation, arrangement or otherwise, whether alone or with joint actors; or (ii) is entitled to receive, directly or indirectly, as a consequence of the transaction, a “collateral benefit” (as defined in MI 61-101). Accordingly, the Arrangement is a “business combination” under MI 61-101.

Minority Approval Requirements

MI 61-101 requires that, unless an exemption is available, in addition to any other required securityholder approval, a “business combination” be subject to “minority approval” (as defined in MI 61-101).

Minority approval entails a simple majority of the votes cast by all holders of a class of “affected securities”, voting as a single class, other than: (i) “interested parties” (as defined in MI 61-101); (ii) any “related party” of an “interested party”, unless the “related party” meets that description solely in its capacity as a director or senior officer of one or more Persons that are neither “interested party” nor “issuer insiders” (as defined in MI 61-101) of Athabasca; and (iii) any Person that is a “joint actor” (as defined in MI 61-101) with any of the foregoing. For the Arrangement, the only class of “affected securities” is the Athabasca Shares.

The Arrangement Resolution must be approved by the affirmative vote thereon at the Meeting by at least: (i) 66⅔% of the votes cast by all Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote; (ii) 66⅔% of the votes cast by all Athabasca Securityholders (voting as a single class), present in person or represented by proxy at the Meeting and entitled to vote; and (iii) a majority of the votes cast by Athabasca Shareholders, present in person or represented by proxy at the Meeting, after excluding the votes cast by persons whose votes may not be included in determining minority approval pursuant to MI 61-101.

As noted above, Jon McCreary is a “related party” of Athabasca under MI 61-101. In addition, as Jon McCreary would indirectly acquire Athabasca pursuant to the Arrangement, he would also be considered an “interested party” (as defined under MI 61-101). Therefore, Jon McCreary is excluded for the purposes of determining minority approval under MI 61-101. Furthermore, the directors and senior officers of Athabasca are “related parties” of Athabasca under MI 61-101 and thereby may be excluded for the purposes of determining minority approval under MI 61-101 if they are entitled to receive, either directly or indirectly, as a consequence of the Arrangement, a collateral benefit. A “collateral benefit” (as defined under MI 61-101) includes, subject to certain exceptions, any benefit that a related party of Athabasca is entitled to receive, directly or indirectly, as a consequence of the Arrangement, including, without limitation, an increase in salary, a lump sum payment, a payment for surrendering securities or other enhancements in benefits related to past or future services as an employee, director or consultant of Athabasca or of another person, regardless of the existence of any offsetting costs to the related party or whether the benefit is provided, or agreed to, by Athabasca or another party to the Arrangement.

The acceleration of the vesting of the Athabasca Options and Athabasca DSUs may be considered a “collateral benefit”. In addition, the entitlements of the Executive Employment Agreements may be considered a “collateral benefit”. However, except with respect to Messrs. McCreary and Paulencu (for the reasons set forth below), these benefits or payments fall within an exception to the definition of “collateral benefit” for the purposes of MI 61-101, since the benefits are received solely in connection with the related party’s services as an employee, director or consultant under certain circumstances, including where the related party and their associated entities beneficially owns or exercises control or direction, directly or indirectly, over less than 1% of the outstanding securities of each class of equity securities at the time the transaction was agreed to or publicly announced and: (i) the benefit is not conferred for the purpose, in whole or in part, of increasing the value of the consideration paid to the related party for securities relinquished under the transaction; (ii) the conferring of the benefit is not, by its terms, conditional on the related party supporting the transaction in any manner; and (iii) full particulars of the benefit are disclosed in the disclosure document for the transaction. Accordingly, with the exception of Messrs. McCreary and Paulencu, no related party will be considered to have received a “collateral benefit” for the purposes of MI 61-101.

Each of the directors and executive officers of Athabasca and their respective associated affiliated entities, other than as disclosed above, beneficially own, or exercise control or direction over, less than 1% of the outstanding Athabasca Shares as of the date of this Circular. Accordingly, for purposes of the minority approval requirements of MI 61-101,

approximately 78,582,686 Athabasca Shares will vote as part of the “minority approval” and the following votes will be excluded:

Name of Athabasca Shareholder	Number of Athabasca Shares Beneficially Owned or Controlled
Jon McCreary	15,473,446
Don Paulencu	2,208,661
Total:	17,682,107

To the knowledge of Athabasca after reasonable inquiry, no other Athabasca Shares are required to be excluded in determining the number of Athabasca Shares to be excluded from the minority approval vote of Athabasca Shareholders in respect of the Arrangement Resolution.

Formal Valuation

Athabasca is not required to obtain a formal valuation under MI 61-101 as it is exempt from the formal valuation requirements of MI 61-101 pursuant to subsection 4.4(1)(a) of MI 61-101 on the basis that the Athabasca Shares are listed on the TSXV.

Prior Valuations

MI 61-101 requires that every “prior valuation” (as defined in MI 61-101) in respect of Athabasca that has been made in the twenty-four (24) months before the date of this Circular, the existence of which is known, after reasonable inquiry, to Athabasca or any director or senior officer of Athabasca, be disclosed in this Circular. There are no “prior valuations” (as defined in MI 61-101) in respect of Athabasca that relate to the subject matter of, or are otherwise relevant to, the Arrangement that have been made in the twenty-four months before the date hereof, and the existence of which is known, after reasonable inquiry, to Athabasca or to any director or senior officer of Athabasca.

Bona Fide Prior Offers

MI 61-101 also requires that any bona fide prior offer that relates to the subject matter of or is otherwise relevant to the Arrangement, which offer was received by Athabasca during the twenty-four months before the Arrangement Agreement was agreed to, and a description of the offer and the background to the offer be disclosed in this Circular. Other than as described in this Circular under “*Background to the Arrangement*”, Athabasca has not received any other bona fide prior offers during this time period.

Support Agreements

Holders of approximately 23.8% of the outstanding Athabasca Shares and 56.2% of the outstanding Athabasca Options (which include all of the directors and executive officers of Athabasca and their associates and affiliates) have entered into Support Agreements with AcquireCo pursuant to which they have agreed, on the terms and conditions specified therein, to vote all of their Athabasca Shares and Athabasca Options, as applicable, in favour of the Arrangement Resolution.

Court Approval

An arrangement of a corporation under the ABCA requires Court approval. Prior to the mailing of this Circular, Athabasca obtained the Interim Order authorizing and directing Athabasca to call, hold and conduct the Meeting in accordance with the Notice of Meeting, the ABCA and the Interim Order and, in connection therewith, to submit the Arrangement to the Meeting and to seek approval of the Arrangement Resolution from the Athabasca Shareholders in the manner set forth in the Interim Order. A copy of the Interim Order is attached as Appendix C to this Circular.

Subject to the requisite approvals of the Arrangement Resolution by Athabasca Securityholders at the Meeting, the hearing in respect of the Final Order is scheduled to take place on November 7, 2023 at 2:00 p.m. (Calgary time) at the Court of King’s Bench of Alberta, Edmonton Law Courts, 1A Sir Winston Churchill Square, Edmonton, Alberta,

T5J 0R2 or as soon thereafter as is reasonably practicable. At the hearing for the Final Order, the Court will consider, among other things, the fairness of the Arrangement. The Court may approve the Arrangement either as proposed or as amended in any manner the Court may direct, subject to compliance with such terms and conditions, if any, as the Court deems fit. At the hearing, any Athabasca Securityholder or other interested party who wishes to participate or to be represented or to present evidence or argument may do so, subject to filing with the Court a notice of intention to appear in accordance with the *Alberta Rules of Court*, serving such notice upon the solicitors of Athabasca on or before 12:00 p.m. (Calgary time) on October 27, 2023 (or 12:00 p.m. (Calgary time) on the Business Day that is five Business Days prior to the date of the Meeting if it is not held on November 3, 2023) and satisfying any other requirements as provided in the Interim Order. Please see the Interim Order attached as Appendix C to this Circular for further details.

Effective Time of the Arrangement

Subject to all conditions precedent to the Arrangement as set forth in the Arrangement Agreement being satisfied or waived by the appropriate party, the Arrangement will be effective upon the Effective Date, which will be the date of filing of the Articles of Arrangement (and such other documents that are required to give effect to the Arrangement) with the Registrar. If the Meeting is held and the Arrangement Resolution is approved by the Athabasca Securityholders as required, Athabasca will apply to the Court for the Final Order approving the Arrangement. If the Final Order is obtained on November 7, 2023, and all other conditions specified in the Arrangement Agreement are satisfied or waived, Athabasca expects the Effective Date to be on or about November 9, 2023. The Effective Date could be delayed, however, for a number of reasons, including an objection before the Court in the hearing of the application for the Final Order.

Interest of Certain Persons or Companies in Matters to be Acted Upon

To the knowledge of the management of Athabasca, none of Athabasca's directors or executive officers or anyone who has held office as such since the beginning of Athabasca's last completed financial year or any associates or affiliates of any of the foregoing has any material interest, direct or indirect, by way of beneficial ownership of securities or otherwise, in any matter to be acted on at the Meeting except as disclosed under "*The Arrangement – Interests of Certain Directors and Executive Officers of Athabasca in the Arrangement*" and elsewhere in this Circular.

Interest of Experts

The Special Committee engaged Evans & Evans for the preparation of the Evans & Evans Fairness Opinion. Evans & Evans and its affiliates do not beneficially own any of the outstanding Athabasca Shares. Evans & Evans has provided the Evans & Evans Fairness Opinion to Athabasca. Evans & Evans has received or will receive fees from Athabasca for provision of the Evans & Evans Fairness Opinion. See "*Fairness Opinion and Financial Advisor*" above.

Interest of Informed Persons in Material Transactions

No "informed person" (as defined in NI 51-102) of Athabasca, or any associate or affiliate of any informed person, has had any material interest in any transaction, or proposed transaction, which has materially affected or would materially affect Athabasca or any its subsidiaries since the commencement of the most recently completed financial year of Athabasca, except as disclosed under "*The Arrangement – Interests of Certain Directors and Executive Officers of Athabasca in the Arrangement*" and elsewhere in this Circular.

THE ARRANGEMENT AGREEMENT

The Arrangement Agreement provides for the terms and conditions on which Athabasca and AcquireCo have agreed to implement the Arrangement. The following is a summary only of the material terms of the Arrangement Agreement, including the Plan of Arrangement. Athabasca Shareholders are urged to read the Arrangement Agreement, including the Plan of Arrangement, in its entirety. A copy of the Arrangement Agreement is attached as Appendix B to this Circular. A copy of the Plan of Arrangement is attached as Schedule A to Appendix B to this Circular.

Conditions of Closing

Mutual Conditions

The Arrangement Agreement provides that the respective obligations of Athabasca or AcquireCo to complete the Arrangement are subject to the fulfillment of the following conditions precedent, which remain to be satisfied, at or before the Effective Time, which may only be waived with the mutual consent of the Parties:

- (a) the Interim Order and the Final Order shall each have been obtained on terms consistent with the Arrangement Agreement, and shall not have been set aside or modified in a manner unacceptable to Athabasca or AcquireCo, acting reasonably, on appeal or otherwise;
- (b) the Securityholder Approval shall have been obtained at the Meeting in accordance with the Interim Order;
- (c) there shall not exist any prohibition at Law, including a cease trade order, injunction or other prohibition or order at Law or under applicable legislation, against Athabasca or AcquireCo which shall prevent the consummation of the Arrangement;
- (d) the Key Regulatory Approvals and Key Consents shall have been obtained and shall remain in effect; and
- (e) the Arrangement Agreement shall not have been terminated in accordance with its terms.

Additional Conditions in Favour of AcquireCo

The Arrangement Agreement provides that the obligations of AcquireCo to complete the Arrangement is subject to the fulfillment of a number of additional conditions precedent at or before the Effective Time, each of which is for the exclusive benefit of AcquireCo and may be waived by AcquireCo in its sole discretion, in whole or in part. These additional conditions include:

- (i) all covenants of Athabasca under the Arrangement Agreement to be performed on or before the Effective Time which have not been waived by AcquireCo shall have been duly performed by Athabasca in all material respects, and AcquireCo shall have received a certificate of Athabasca addressed to AcquireCo and dated the Effective Time, signed by two executive officers on behalf of Athabasca (on Athabasca's behalf and without personal liability), confirming the same as at the Effective Date;
- (ii) all representations and warranties of Athabasca set forth in the Arrangement Agreement that are qualified by the expression "Material Adverse Effect" shall be true and correct in all respects, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), and all other representations and warranties made by Athabasca in the Arrangement Agreement that are not so qualified shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except for representations and warranties made as of a specified date the accuracy of which shall be determined as of that specified date); and AcquireCo shall have received a certificate of Athabasca addressed to AcquireCo and dated the Effective Time, signed on behalf of Athabasca by two executive officers of Athabasca (on Athabasca's behalf and without personal liability), confirming the same as at the Effective Date;
- (iii) since the date of the Arrangement Agreement, there shall not have occurred any event, occurrence, development or circumstance that, individually or in the aggregate has had or would reasonably be expected to have a Material Adverse Effect on Athabasca;
- (iv) the resignations and mutual releases contemplated by section 5.5 of the Arrangement Agreement shall have been executed and delivered; and
- (v) holders of no more than 10% of the Athabasca Shares shall have exercised Dissent Rights.

Additional Conditions in Favour of Athabasca

The Arrangement Agreement provides that the obligations of Athabasca to complete the Arrangement is subject to the fulfillment of a number of additional conditions precedent at or before the Effective Time, each of which is for the exclusive benefit of Athabasca and may be waived by Athabasca in its sole discretion, in whole or in part. These additional conditions include:

- (i) all covenants of AcquireCo under the Arrangement Agreement to be performed on or before the Effective Time, which have not been waived by Athabasca, shall have been duly performed by AcquireCo in all material respects, and Athabasca shall have received a certificate of AcquireCo, addressed to Athabasca and dated the Effective Time, signed on behalf of AcquireCo by one executive officer of AcquireCo (on AcquireCo's behalf and without personal liability), confirming the same as of the Effective Date;
- (ii) all other representations and warranties made by AcquireCo in the Arrangement Agreement that are not so qualified shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except for representations and warranties made as of a specified date the accuracy of which shall be determined as of that specified date); and Athabasca shall have received a certificate of AcquireCo, addressed to Athabasca and dated the Effective Time, signed on behalf of AcquireCo by one executive officer of AcquireCo (on AcquireCo's behalf and without personal liability), confirming the same as at the Effective Date; and
- (iii) AcquireCo shall have complied with its obligations under section 2.8 of the Arrangement Agreement and the Depositary shall have confirmed receipt of the Cash Consideration contemplated thereby.

Covenants of Athabasca

Athabasca has made certain covenants to AcquireCo under the Arrangement Agreement, including that Athabasca shall, and shall cause each of its subsidiaries to:

- (i) conduct its business in the Ordinary Course;
- (ii) perform all obligations required or desirable to be performed by Athabasca or any of its subsidiaries under the Arrangement Agreement, cooperate with AcquireCo in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in the Arrangement Agreement and, without limiting the generality of the foregoing, Athabasca shall and, where applicable, shall cause its subsidiaries to:
 - (a) apply for and use its commercially reasonable efforts to obtain all Key Regulatory Approvals relating to Athabasca or any of its subsidiaries and Athabasca shall file as soon as reasonably practicable with all applicable Governmental Entities all notices, applications, submissions or other documents or information required and, without limiting the foregoing, Athabasca shall use its commercially reasonable efforts to satisfy, as soon as reasonably possible, any requests for information and documentation received from any Governmental Entity in connection with such approval; and, in doing so, keep AcquireCo reasonably informed as to the status of the proceedings related to obtaining such approvals, including providing AcquireCo with copies of all related applications and notifications, in draft form (except where such material is confidential in which case it will be provided (subject to applicable Laws) to AcquireCo's outside counsel on an "external counsel" basis), in order for AcquireCo to provide its comments thereon, which shall be given due and reasonable consideration;
 - (b) use its commercially reasonable efforts to obtain as soon as practicable following execution of the Arrangement Agreement all third-party consents, approvals and notices required under, and shall use commercially reasonable efforts to obtain all amendments reasonably requested by AcquireCo in respect of, any Material Contracts and all Key Consents, all as set out in the Disclosure Letter;

- (c) defend all Legal Proceedings against Athabasca challenging or affecting the Arrangement Agreement or the consummation of the transactions contemplated hereby;
- (d) use commercially reasonable efforts to assist AcquireCo in making the necessary arrangements to restructure, payout or otherwise deal with Athabasca's indebtedness;
- (e) except as permitted by the Arrangement Agreement, not take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of Athabasca to consummate the Arrangement or the other transactions contemplated by the Arrangement Agreement;
- (f) until the earlier of the Effective Time and termination of the Arrangement Agreement, Athabasca shall, subject to applicable Law, make available and cause to be made available to AcquireCo, and the agents and advisors thereto, information reasonably requested by AcquireCo for the purposes of preparing, considering and implementing integration and strategic plans for the combined businesses of AcquireCo and Athabasca following the Effective Date and confirming the representations and warranties of Athabasca set out in the Arrangement Agreement.

Covenants of AcquireCo

AcquireCo has made certain covenants to Athabasca under the Arrangement Agreement, including that AcquireCo shall, and shall cause each of its subsidiaries to:

- (i) subject to the terms and conditions of the Arrangement Agreement and of the Plan of Arrangement and applicable Laws, issue to the Athabasca Shareholders, Athabasca Optionholders and the Athabasca DSU Holders the applicable consideration pursuant to the Arrangement at the time provided therein;
- (ii) at the Meeting or in any other circumstances upon which a vote, consent or other approval (including by written consent in lieu of a meeting) with respect to the Arrangement Agreement or the transactions contemplated by the Arrangement Agreement is sought, AcquireCo shall cause any Athabasca Shares and/or Athabasca Options, as applicable, beneficially owned or controlled, directly or indirectly, by AcquireCo to be counted as present for purposes of establishing quorum and shall vote (or cause to be voted) such Athabasca Shares and/or Athabasca Options in favour of the approval of the Arrangement, including in favour of the Arrangement Resolution, any other transactions contemplated in the Arrangement Agreement and any other matter necessary for the consummation of the Arrangement;
- (iii) at any meeting of the Athabasca Securityholders or at any adjournment or postponement thereof or in any other circumstances upon which a vote, consent or other approval of all or some of the holders of Athabasca Shares is sought (including by written consent in lieu of a meeting), AcquireCo shall cause any Athabasca Shares, as applicable, beneficially owned or controlled, directly or indirectly, by AcquireCo (which have a right to vote at such meeting) to be counted as present for purposes of establishing quorum and shall vote (or cause to be voted) Athabasca Shares and/or Athabasca Options against: (a) any Acquisition Proposal; (b) any action, agreement, transaction or proposal that would result in a material breach of any representation, warranty, covenant, agreement or other obligation of either of the Parties in the Arrangement Agreement; and/or (c) any matter that could reasonably be expected to delay, prevent, impede or frustrate the successful completion of the Arrangement or any of the transactions contemplated by the Arrangement Agreement; and
- (iv) AcquireCo agrees not to directly or indirectly: (a) sell, transfer, assign, tender, exchange, grant a participation interest in, gift, option, pledge, hypothecate, grant a security interest in, place in trust or otherwise convey, dispose or encumber (each, a "**Transfer**"), or enter into any agreement, understanding, option or other arrangement with respect to the Transfer of, any Athabasca Shares and/or Athabasca Options, beneficially owned or controlled, directly or indirectly, by AcquireCo to any person, other than pursuant to the Arrangement Agreement; (b) grant any proxies or power of attorney, deposit any of its Athabasca Shares and/or Athabasca Options into any voting trust or enter into any voting arrangement, whether by proxy, voting agreement or otherwise, with respect to such Athabasca Shares and/or Athabasca Options, other than

pursuant to the Arrangement Agreement; (c) otherwise enter into any agreement or arrangement with any person or entity or commit any act that could limit, restrict or affect AcquireCo's legal power, authority, or right to vote any of such Athabasca Shares and/or Athabasca Options or otherwise prevent or disable AcquireCo from performing any of AcquireCo's obligations under section 5.3 of the Arrangement Agreement; or (d) requisition or join in the requisition of any meeting of any of the securityholders of Athabasca for the purpose of considering any resolution.

Representations and Warranties

The Arrangement Agreement contains representations and warranties made by each Party to the other Party. Those representations and warranties were made solely for purposes of the Arrangement Agreement and may be subject to important qualifications, limitations and exceptions agreed to by the Parties in connection with negotiating its terms and as set out in certain disclosure delivered in connection with the Arrangement Agreement. In particular, some of the representations and warranties are subject to a contractual standard of materiality or Material Adverse Effect that is different from that generally applicable to public disclosure, or are used for the purpose of allocating risk between the Parties to the Arrangement Agreement. For the foregoing reasons, you should not rely on the representations and warranties contained in the Arrangement Agreement as statements of factual information at the time they were made or otherwise.

The representations and warranties provided by Athabasca in favour of AcquireCo relate to, among other things, Board approval, the Evans & Evans Fairness Opinion, organization and qualification, authority relative to the Arrangement Agreement, absence of certain violations, capitalization, reporting status and Securities Laws, ownership of subsidiaries, Athabasca's public filings, financial statements, internal controls and financial reporting, corrupt practices legislation, books and records, minute books, undisclosed liabilities, material changes, litigation, Taxes, property, title and rights, contracts, permits, intellectual property, environmental matters, mineral reserves and resources, regulatory matters, employee benefits, labour and employment, compliance with Laws, cease trade orders, related party transactions, registration rights, rights of other persons, restrictions on business activities, brokers, insurance, bankruptcy and insolvency, and *Investment Canada Act* matters.

The representations and warranties provided by AcquireCo in favour of Athabasca relate to, among other things, organization and qualification, authority relative to the Arrangement Agreement, absence of certain violations, litigation and financing matters.

Termination of Arrangement Agreement

Subject to payment of the Termination Fee where applicable, the Arrangement Agreement may be terminated at any time prior to the Effective Time:

- (i) by mutual written agreement of Athabasca and AcquireCo; or
- (ii) by either Athabasca and AcquireCo, if:
 - (a) the Effective Time shall not have occurred on or before the Outside Date, except that the right to terminate the Arrangement Agreement shall not be available to any Party whose failure to fulfill any of its obligations or whose breach of any of its representations and warranties under the Arrangement Agreement has been the cause of, or directly resulted in, the failure of the Effective Time to occur by such Outside Date; or
 - (b) after the date of the Arrangement Agreement, there shall be enacted or made any applicable Law that makes consummation of the Arrangement illegal or otherwise prohibited or enjoins Athabasca or AcquireCo from consummating the Arrangement and such applicable Law (if applicable) or injunction shall have become final and non-appealable; or

- (c) the Arrangement Resolution shall have failed to obtain the Securityholder Approval at the Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order and in the case of Athabasca, once the Expense Reimbursement Fee has been paid to AcquireCo; or

(iii) by AcquireCo, if:

- (a) the Board makes a Change in Recommendation; or
- (b) any of the mutual conditions precedent or the additional conditions precedent to the obligations of AcquireCo pursuant to the Arrangement Agreement are not satisfied, and such conditions are incapable of being satisfied by the Outside Date; or
- (c) subject to notice and cure provisions, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Athabasca set forth in the Arrangement Agreement (other than as set forth in the non-solicitation provisions of the Arrangement Agreement) shall have occurred that would cause the mutual conditions precedent or the additional conditions precedent to the obligations of AcquireCo pursuant to the Arrangement Agreement not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date; provided that AcquireCo is not then in breach of the Arrangement Agreement so as to cause any of the conditions set forth in mutual conditions precedent or the additional conditions precedent to the obligations of Athabasca pursuant to the Arrangement Agreement not to be satisfied; or
- (d) Athabasca is in breach or in default of any of its non-solicitation obligations pursuant to the Arrangement Agreement; or
- (e) after the date of the Arrangement Agreement, a Material Adverse Effect shall have occurred; or
- (f) the Meeting has not occurred on or before the Outside Date, provided that the right to terminate the Arrangement Agreement pursuant to the Arrangement Agreement shall not be available to AcquireCo if the failure by AcquireCo to fulfil any obligation hereunder is the cause of, or results in, the failure of the Meeting to occur on or before such date; or
- (g) Athabasca enters into a legally binding agreement relating to a Superior Proposal; or

(iv) by Athabasca, if:

- (a) Athabasca enters into a legally binding agreement with respect to a Superior Proposal; provided that concurrently with such termination, Athabasca pays the Termination Fee payable pursuant to the Arrangement Agreement; or
- (b) any of the mutual conditions precedent or the additional conditions precedent to the obligations of Athabasca pursuant to the Arrangement Agreement are not satisfied, and such conditions are incapable of being satisfied by the Outside Date; or
- (c) subject to notice and cure provisions, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of AcquireCo set forth in the Arrangement Agreement shall have occurred that would cause the mutual conditions precedent or the additional conditions precedent to the obligations of Athabasca pursuant to the Arrangement Agreement not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date; provided that Athabasca is not then in breach of the Arrangement Agreement so as to cause any of the conditions set forth in mutual conditions precedent or the additional conditions precedent to the obligations of AcquireCo pursuant to the Arrangement Agreement not to be satisfied.

Athabasca Termination Fee and Expense Reimbursement Fee

If the Arrangement Agreement is terminated by AcquireCo because Athabasca: (i) enters into a legally binding agreement relating to a Superior Proposal; (ii) makes a Change in Recommendation in respect of the Arrangement; or (iii) breaches the non-solicitation provisions of the Arrangement Agreement, then Athabasca will pay or cause to be paid to AcquireCo the Termination Fee, being \$790,000.

If the Arrangement Agreement is terminated by AcquireCo because: (i) the Effective Time has not occurred on or before the Outside Date; (ii) the Meeting has not occurred on or before the Outside Date; (iii) the conditions set forth in sections 6.1 and 6.2 of the Arrangement Agreement are not satisfied by the Outside Date; (iv) the Arrangement Resolution failed to obtain Securityholder Approval at the Meeting; or (v) subject to section 7.1 of the Arrangement Agreement, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of Athabasca set forth in the Arrangement Agreement shall have occurred that would cause the conditions set forth in sections 6.1 or 6.2 of the Arrangement Agreement not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date, then Athabasca will pay or cause to be paid to AcquireCo the Expense Reimbursement Fee, being \$550,000.

Fees and Expenses of the Arrangement

Athabasca currently estimates that, if the Arrangement is consummated, the aggregate costs incurred by Athabasca relating to the Arrangement, including, fees and expenses of financial advisors, printing, mailing, solicitation, Meeting costs, legal fees and disbursements will be approximately \$1.74 million.

CERTAIN CANADIAN FEDERAL INCOME TAX CONSIDERATIONS

The following is, as of the date of this Circular, a summary of the principal Canadian federal income tax considerations under the Tax Act relating to the Arrangement generally applicable to Athabasca Shareholders who, for the purposes of the Tax Act and at all relevant times, hold their Athabasca Shares as capital property and deal at arm's length and are not affiliated with Athabasca or AcquireCo (a "**Holder**"). Athabasca Shares will generally be considered to be capital property to a Holder unless the Holder holds such Athabasca Shares in the course of carrying on a business of buying and selling securities or the Holder acquired such Athabasca Shares in a transaction or transactions considered to be an adventure or concern in the nature of trade. Certain Holders whose Athabasca Shares might not otherwise be considered capital property may, in certain circumstances, make an irrevocable election in accordance with subsection 39(4) of the Tax Act to have the Athabasca Shares and all other "Canadian securities" as defined in the Tax Act owned by such Holder in the taxation year in which the election is made, and in all subsequent taxation years, deemed to be capital property. Holders should consult with their own tax advisors if they contemplate making such an election.

This summary is not applicable to the Ongoing Shareholder, Athabasca Optionholders or Athabasca DSU Holders. This summary is not applicable to a Holder: (i) that is a "financial institution" (for the purposes of the "mark-to-market" rules) or a "specified financial institution", each as defined in the Tax Act; (ii) an interest in which is a "tax shelter" or "tax shelter investment" within the meaning of the Tax Act; (iii) whose "functional currency" for the purposes of the Tax Act is the currency of a country other than Canada; (iv) that has entered into or will enter a "derivative forward agreement" or "synthetic disposition arrangement", each as defined in the Tax Act, with respect to the Athabasca Shares; (v) that acquired Athabasca Shares pursuant to an Athabasca Option or other equity-based employment compensation plan or arrangement; (vi) that is exempt from tax under Part I of the Tax Act; or (vii) that is a partnership. Such Holders should consult their own tax advisors.

This summary is based on the current provisions of the Tax Act and the current published administrative policies and assessing practices of the Canada Revenue Agency published in writing prior to the date hereof. This summary also takes into account all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and assumes that all Tax Proposals will be enacted in the form proposed. However, there can be no assurance that the Tax Proposals will be enacted in their current form, or at all. This summary is not exhaustive of all possible Canadian federal income tax considerations and, except for the Tax Proposals, does not take into account or anticipate any changes in Law or administrative practice, whether by legislative, regulatory, administrative or judicial decision or action, nor does it take into account or consider other

federal or any provincial, territorial or foreign tax considerations, which may differ significantly from the Canadian federal income tax considerations described herein.

This summary is of a general nature only and is not intended to be, nor should it be construed to be, legal or tax advice to any particular Athabasca Shareholder. This summary is not exhaustive of all Canadian federal income tax considerations. Consequently, Athabasca Shareholders are urged to consult their own tax advisors for advice regarding the income tax consequences to them of disposing of their Athabasca Shares under the Arrangement, having regard to their own particular circumstances, and any other consequences to them of such transactions under Canadian federal, provincial, local and foreign tax Laws. No advance income tax ruling has been obtained from the Canada Revenue Agency to confirm the tax consequences of the Arrangement to Athabasca Shareholders.

Holders Resident in Canada

The following portion of the summary is generally applicable to a Holder who, for purposes of the Tax Act and any applicable income tax treaty or convention, and at all relevant times, is resident or deemed to be resident in Canada (a “**Resident Holder**”).

Disposition of Shares Under the Arrangement

Under the Arrangement, Resident Holders (other than Dissenting Shareholders) will transfer their Athabasca Shares to AcquireCo in consideration for the Cash Consideration, and will realize a capital gain (or a capital loss) equal to the amount by which the aggregate cash payment exceeds (or is less than) the aggregate of the adjusted cost base to the Resident Holder of such Athabasca Shares and any reasonable costs of disposition. The taxation of capital gains and capital losses is discussed below under “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Capital Gains and Capital Losses*” in this Circular.

Dissenting Resident Holders

A Resident Holder who is an Athabasca Shareholder and who validly exercises Dissent Rights under the Arrangement (a “**Dissenting Resident Holder**”) will be deemed to have transferred its Athabasca Shares to AcquireCo and will be entitled to receive a payment from AcquireCo of an amount equal to the fair value of the Dissenting Resident Holder’s Athabasca Shares.

In general, a Dissenting Resident Holder will realize a capital gain (or capital loss) to the extent that such payment (other than any portion thereof that is interest) exceeds (or is less than) the aggregate of the adjusted cost base of the Athabasca Shares to the Dissenting Resident Holder and any reasonable costs of the disposition. See “*Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Capital Gains and Capital Losses*” in this Circular. A Dissenting Resident Holder will be required to include in computing its income for the purposes of the Tax Act any interest paid or deemed to be paid to a Dissenting Resident Holder in respect of the Dissenting Resident Holder’s Athabasca Shares, including interest awarded by a court in connection with the Arrangement.

Capital Gains and Capital Losses

Generally, a Resident Holder is required to include in computing its income for a taxation year one-half of the amount of any capital gain (a “**taxable capital gain**”) realized by the Resident Holder in such taxation year. Subject to and in accordance with the provisions of the Tax Act, a Resident Holder is required to deduct one-half of the amount of any capital loss (an “**allowable capital loss**”) realized in a taxation year from taxable capital gains realized by the Resident Holder in the year. Allowable capital losses in excess of taxable capital gains may be carried back and deducted in any of the three preceding taxation years or carried forward and deducted in any subsequent taxation year against net taxable capital gains realized in such years to the extent and in the circumstances described in the Tax Act.

The amount of any capital loss realized by a Resident Holder that is a corporation on the disposition of an Athabasca Share may be reduced by the amount of any dividends received (or deemed to be received) by it on such Athabasca Share (and, in certain circumstances, a share exchanged for such share) to the extent and under the circumstances

described in the Tax Act. Similar rules may apply where a corporation is a member of a partnership or beneficiary of a trust that owns such Athabasca Share or where a trust or partnership of which a corporation is beneficiary or a member is a member of a partnership or a beneficiary of a trust that owns such share. Resident Holders to whom these rules may apply are urged to consult their own tax advisor.

Capital gains realized by individuals and certain trusts may give rise to a liability for alternative minimum tax under the Tax Act. Resident Holders are urged to consult their own tax advisor with respect to the potential application of alternative minimum tax.

Additional Refundable Tax

A Resident Holder, including a Dissenting Resident Holder, that is throughout the year a “Canadian-controlled private corporation” as defined in the Tax Act may be liable to pay a refundable tax of 10^{2/3}% on its “aggregate investment income” (as defined in the Tax Act), including taxable capital gains and interest.

Holdings Not Resident in Canada

The following portion of the summary is generally applicable to a Holder who, for the purposes of the Tax Act and any applicable income tax treaty or convention, and at all relevant times, is not and has not been a resident or deemed to be a resident of Canada and does not use or hold, and is not deemed to use or hold, Athabasca Shares in connection with carrying on a business in Canada (a “**Non-Resident Holder**”). Special rules, which are not discussed in this summary, apply to a non-resident that is an insurer carrying on business in Canada and elsewhere or that is an “authorized foreign bank” (as defined in the Tax Act).

Disposition of Shares under the Arrangement

A Non-Resident Holder will not be subject to tax under the Tax Act on any capital gain, or entitled to deduct any capital loss, realized on the disposition of Athabasca Shares to AcquireCo under the Arrangement unless such Athabasca Shares constitute or are deemed to constitute “taxable Canadian property” (as defined in the Tax Act) to the Non-Resident Holder at the time of the disposition and do not constitute “treaty-protected property” for purposes of the Tax Act. See the discussion below under “*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Taxable Canadian Property*” in this Circular.

Taxable Canadian Property

Generally, the Athabasca Shares (which are listed on a designated stock exchange within the meaning of the Tax Act) will not be taxable Canadian property to a Non-Resident Holder at the time of disposition provided that at no time during the 60-month period immediately preceding that time was it the case that both: (i) the Non-Resident Holder, Persons with whom the Non-Resident Holder did not deal at arm’s length, partnerships in which the Non-Resident Holder or Persons with whom the Non-Resident Holder did not deal at arm’s length held a membership interest directly or indirectly through one or more partnerships, or the Non-Resident Holder together with all such Persons or partnerships, owned 25% or more of the issued shares of any class of Athabasca; and (ii) more than 50% of the fair market value of the Athabasca Shares was derived directly or indirectly from one or any combination of real or immovable property situated in Canada, “Canadian resource properties”, or “timber resource properties” (both as defined in the Tax Act), and options in respect of, interests or rights in any such properties. Notwithstanding the foregoing, Athabasca Shares may be deemed to be taxable Canadian property in certain circumstances specified in the Tax Act.

Even if the Athabasca Shares are taxable Canadian property to a Non-Resident Holder, a taxable capital gain resulting from the disposition of Athabasca Shares will not be included in computing the Non-Resident Holder’s income for the purposes of the Tax Act if the Athabasca Shares constitute “treaty-protected property” (as defined in the Tax Act). Athabasca Shares owned by a Non-Resident Holder will generally be treaty-protected property if the gain from the disposition of such Athabasca Shares would, because of an applicable income tax treaty or convention, be exempt from tax under the Tax Act. In the event that Athabasca Shares constitute taxable Canadian property but not treaty protected property to a particular Non-Resident Holder, the tax consequences are as described above under “*Certain*

Canadian Federal Income Tax Considerations – Holders Resident in Canada – Disposition of Shares under the Arrangement” and “Certain Canadian Federal Income Tax Considerations – Holders Resident in Canada – Capital Gains and Capital Losses” in this Circular.

Dissenting Non-Resident Holders

A Non-Resident Holder who validly exercises Dissent Right under the Arrangement (a “**Dissenting Non-Resident Holder**”) will be deemed to have transferred such Dissenting Non-Resident Holder’s Athabasca Shares to AcquireCo and will be entitled to receive a payment from AcquireCo of an amount equal to the fair value of the Dissenting Non-Resident Holder’s Athabasca Shares. A Dissenting Non-Resident Holder will be considered to have disposed of the Dissenting Non-Resident Holder’s Athabasca Shares for proceeds of disposition equal to the payment received in respect of such shares less an amount in respect of interest, if any, awarded by a court.

Dissenting Non-Resident Holders will generally be subject to the same treatment described above under “*Certain Canadian Federal Income Tax Considerations – Holders Not Resident in Canada – Disposition of Shares under the Arrangement*” in this Circular.

Any interest paid or deemed to be paid to a Dissenting Non-Resident Holder or awarded by a court in respect of the disposition of the Dissenting Non-Resident Holder’s Athabasca Shares, will not be subject to Canadian withholding tax unless such interest constitutes “participating debt interest” for purposes of the Tax Act. Non-Resident Holders who intend to dissent from the Arrangement are urged to consult their own tax advisors.

Other Tax Considerations

This Circular does not address any tax considerations of the Arrangement other than certain Canadian federal income tax considerations. Athabasca Shareholders who are resident in jurisdictions other than Canada should consult their own tax advisors with respect to the tax implications of the Arrangement, including any associated filing requirements in such jurisdictions. Athabasca Shareholders should also consult their own tax advisors regarding Canadian federal, provincial or territorial considerations of the Arrangement.

INFORMATION CONCERNING ATHABASCA

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.

Athabasca is a reporting issuer in each of the provinces of British Columbia, Alberta and Ontario. Athabasca’s head office is located 4409 94 Street NW Edmonton, Alberta T6E 6T7 and its registered office is located at 10180 101 St NW #3200, Edmonton, Alberta T5J 3W8.

Price Range and Trading Volume of Athabasca Shares

The outstanding Athabasca Shares are listed and posted for trading on the TSXV under the trading symbol “AMI”. The following table sets forth the closing price range and trading volume of the Athabasca Shares on the TSXV for the six-month period preceding the date of the Arrangement Agreement.

Date	High (\$)	Low (\$)	Trading Volume
2023			
April	0.11	0.10	411,400
May	0.11	0.09	108,300
June	0.12	0.07	492,800
July	0.11	0.08	581,294
August	0.11	0.09	316,947
September	0.14	0.10	2,905,602

Date	High (\$)	Low (\$)	Trading Volume
October (1-3)	0.14	0.14	253,383

The closing price of the Athabasca Shares on the TSXV on September 20, 2023, being the last date on which the Athabasca Shares traded prior to the announcement of the signing of the Arrangement Agreement, was \$0.10 per Athabasca Share. The closing price of the Athabasca Shares on the TSXV on October 3, 2023, being the last date on which the Athabasca Shares traded prior to the date of this Circular, was \$0.14 per Athabasca Share.

Dividends

During the two-year period preceding the date of the Arrangement Agreement, Athabasca has not paid any dividends on the Athabasca Shares. Athabasca does not anticipate paying any dividends in the immediate or foreseeable future.

Previous Purchases and Sales

During the 12 months preceding the date of this Circular, the Corporation did not purchase or sell any of its securities.

Previous Distributions

During the five years preceding the date of the Arrangement Agreement, Athabasca has completed the following distributions:

Date	Description	Number of Securities	Price per Security	Aggregate Proceeds
July 8, 2022	Exercise of options	10,000	\$0.2050	\$2,050.00
July 8, 2022	Exercise of options	8,400	\$0.2400	\$2,016.00
July 8, 2022	Exercise of options	36,000	\$0.1400	\$5,040.00
July 5, 2022	Exercise of options	300,000	\$0.1700	\$51,000.00
June 14, 2022	Exercise of options	100,000	\$0.3000	\$30,000.00
May 30, 2022	Exercise of options	45,000	\$0.2050	\$9,225.00
May 30, 2022	Exercise of options	42,000	\$0.2400	\$10,080.00
May 30, 2022	Exercise of options	63,000	\$0.1400	\$8,820.00
May 30, 2022	Exercise of options	45,000	\$0.1700	\$7,650.00
May 30, 2022	Exercise of options	70,000	\$0.2600	\$18,200.00
May 26, 2022	Exercise of options	10,000	\$0.2050	\$2,050.00
May 26, 2022	Exercise of options	8,400	\$0.2400	\$2,016.00
May 26, 2022	Exercise of options	12,600	\$0.1400	\$1,764.00
May 26, 2022	Exercise of options	9,000	\$0.1700	\$1,530.00

Date	Description	Number of Securities	Price per Security	Aggregate Proceeds
May 26, 2022	Exercise of options	36,000	\$0.3300	\$11,880.00
April 29, 2022	Exercise of options	12,000	\$0.2400	\$2,880.00
April 29, 2022	Exercise of options	7,000	\$0.1400	\$980.00
April 28, 2022	Exercise of options	105,000	\$0.1400	\$14,700.00
April 8, 2022	Exercise of options	150,000	\$0.1700	\$25,500.00
April 8, 2022	Exercise of options	44,800	\$0.1400	\$6,272.00
April 8, 2022	Exercise of options	41,500	\$0.1700	\$7,055.00
April 4, 2022	Exercise of options	7,000	\$0.1400	\$980.00
April 4, 2022	Exercise of options	21,000	\$0.2400	\$5,040.00
April 4, 2022	Exercise of options	21,000	\$0.1400	\$2,940.00
April 4, 2022	Exercise of options	21,000	\$0.1400	\$2,940.00
April 4, 2022	Exercise of options	45,000	\$0.1700	\$7,650.00
April 4, 2022	Exercise of options	15,000	\$0.2800	\$4,200.00
February 19, 2022	Exercise of options	6,000	\$0.2400	\$1,440.00
January 7, 2022	Exercise of options	75,000	\$0.2350	\$17,625.00
January 1, 2022	Private placement	100,000	\$0.3300	\$33,000.00
December 13, 2021	Exercise of options	100,000	\$0.1700	\$17,000.00
December 1, 2021	Private placement	7,375,000	\$0.2000	\$1,475,000.00
November 2, 2021	Exercise of options	10,000	\$0.1700	\$1,700.00
June 2, 2021	Exercise of options	7,000	\$0.1400	\$980.00
June 2, 2021	Exercise of options	20,000	\$0.1700	\$3,400.00
May 26, 2021	Exercise of options	120,000	\$0.2350	\$28,200.00
October 1, 2020	Private placement	9,866,668	\$0.1500	\$1,480,000.00
February 24, 2020	Exercise of options	50,000	\$0.1700	\$8,500.00
February 24, 2020	Exercise of options	16,962	\$0.2600	\$4,410.12

Date	Description	Number of Securities	Price per Security	Aggregate Proceeds
January 2, 2020	Exercise of options	5,000	\$0.1700	\$850.00
December 18, 2019	Exercise of options	5,000	\$0.1700	\$850.00
December 11, 2019	Exercise of options	400,000	\$0.1800	\$72,000.00
December 4, 2019	Exercise of options	20,000	\$0.2600	\$5,200.00
October 31, 2019	Exercise of options	6,667	\$0.2600	\$1,733.42
August 27, 2019	Exercise of options	10,000	\$0.2600	\$2,600.00
August 27, 2019	Exercise of options	50,000	\$0.1700	\$8,500.00
July 18, 2019	Exercise of options	16,667	\$0.2600	\$4,333.42
July 18, 2019	Exercise of options	60,000	\$0.3000	\$18,000.00
July 17, 2019	Exercise of options	50,000	\$0.2800	\$14,000.00
July 17, 2019	Exercise of options	75,000	\$0.3500	\$26,250.00
July 12, 2019	Exercise of options	60,000	\$0.3000	\$18,000.00
July 11, 2019	Exercise of options	10,000	\$0.1700	\$1,700.00
July 8, 2019	Exercise of options	125,000	\$0.3100	\$38,750.00
June 27, 2019	Exercise of options	10,000	\$0.2600	\$2,600.00
June 27, 2019	Exercise of options	16,666	\$0.1700	\$2,833.22
April 17, 2019	Exercise of options	10,000	\$0.1700	\$1,700.00
April 14, 2019	Exercise of options	6,667	\$0.2600	\$1,733.42
April 11, 2019	Exercise of options	46,667	\$0.1764	\$8,232.06
April 25, 2019	Exercise of options	10,000	\$0.1700	\$1,700.00
April 15, 2019	Exercise of options	25,000	\$0.3000	\$7,500.00
November 1, 2018	Private placement	5,100,000	\$0.2000	\$1,020,000.00

Voting Securities, Outstanding Athabasca Shares and Principal Holders

As of the date of this Circular, 78,582,686 Athabasca Shares are issued and outstanding and no special voting shares are issued and outstanding. Athabasca Shareholders of record at the close of business on the Record Date are entitled to vote their Athabasca Shares at the Meeting on the basis of one vote for each Athabasca Share held, except to the extent that: (i) the holder has transferred the ownership of any of his, her or its Athabasca Shares after the Record

Date; and (ii) the transferee of those Athabasca Shares produces properly endorsed security certificates, or otherwise establishes that he, she or it owns the Athabasca Shares, and demands not later than ten days before the day of the Meeting that his, her or its name be included in the list of Persons entitled to vote at the Meeting, in which case the transferee will be entitled to vote his, her or its Athabasca Shares at the Meeting.

To the knowledge of the Board and the executive officers of Athabasca, there are no Persons or entities as at the date hereof, who beneficially hold, directly or indirectly or exercise control or direction over, more than 10% percent of the voting rights attached to the issued and outstanding Athabasca Shares entitled to vote at the Meeting other than as disclosed below:

Name of Shareholder and Place of Residence	Number of Voting Securities	Percentage of Class
Jonathan McCreary Wenatchee, Washington	15,473,446	19.7%

Holders of approximately 23.8% of the outstanding Athabasca Shares and 56.2% of the outstanding Athabasca Options (which include all of the directors and executive officers of Athabasca and their associates and affiliates) have entered into the Support Agreements with AcquireCo pursuant to which they have agreed, on the terms and conditions specified therein, to vote all of their Athabasca Shares and Athabasca Options, as applicable, in favour of the Arrangement Resolution. See “*The Arrangement – Support Agreements*” in this Circular.

Indebtedness of Directors, Executive Officers and Employees

No director, executive officer, employee or former director, executive officer or employee of Athabasca nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to Athabasca nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by Athabasca.

Material Contracts

Except for the Arrangement Agreement, and the credit agreement for the secured bridge loan of \$2,000,000 from AcquireCo as previously announced and entered into on February 28, 2023, as amended on June 30, 2023 and as further amended on September 20, 2023 and contracts entered into in the Ordinary Course, Athabasca has not entered into any material contracts within the most recently completed financial year, or before the most recently completed financial year that is still in effect.

INFORMATION CONCERNING ACQUIRECO

The information concerning AcquireCo contained in this Circular, including but not limited to the information under this heading, has been provided by AcquireCo. Although Athabasca has no knowledge that would indicate that any of such information is untrue or incomplete, the Corporation does not assume any responsibility for the accuracy or completeness of such information or the failure by AcquireCo to disclose events which may have occurred or may affect the completeness or accuracy of such information but which are unknown to Athabasca.

General

AcquireCo was incorporated under the Laws of the State of Delaware on March 26, 2015 and is controlled by Jon McCreary, a director of Athabasca. AcquireCo’s primary business is heavy civil construction and ready mix services.

AcquireCo’s head and registered offices are located at 1505 North Miller St. #260 Wenatchee, Washington 98801 USA.

Commitments to Acquire Athabasca Shares

Other than the Arrangement Agreement, neither AcquireCo, nor the sole manager of AcquireCo, nor, to the knowledge of the sole manager of AcquireCo, after reasonable inquiry, (i) any associate or affiliate of an insider of AcquireCo, (ii) any insider of AcquireCo (other than the sole manager of AcquireCo); or (iii) any person or company acting jointly or in concert with AcquireCo, has any agreement, commitment or understanding to acquire securities of Athabasca.

Arrangements, Agreements, Commitments and Understandings Involving AcquireCo

Except as disclosed in this Circular, there are no agreements, commitments or understandings made or proposed to be made between AcquireCo and any of the directors or senior officers of Athabasca and no payments or other benefits are proposed to be made or given by AcquireCo by way of compensation for loss of office or as to such directors or senior officers remaining in or retiring from office if the Arrangement is completed.

Except the Support Agreements, there are no agreements, commitments or understandings made or proposed to be made between AcquireCo and any Athabasca Securityholder relating to the Arrangement.

RISK FACTORS

Risks Related to the Arrangement

Completion of the Arrangement is subject to the satisfaction or waiver of several conditions

The completion of the Arrangement is subject to a number of conditions, certain of which are outside the control of Athabasca or AcquireCo, including, but not limited to, receipt of the required approvals by Athabasca Securityholders and the Court. There is no certainty, nor can Athabasca provide any assurance, that these conditions will be satisfied or waived, nor can there be any certainty of the timing of their satisfaction or waiver. If the Arrangement is not completed for any reason, there are risks that the announcement of the Arrangement Agreement as well as the Arrangement and the dedication of substantial resources of Athabasca to the completion thereof could have a negative impact on Athabasca's current business relationships (including with future and prospective employees, customers, suppliers and joint venture partners) and could have a Material Adverse Effect on the current and future operations, financial condition and prospects of Athabasca and the market price of the Athabasca Shares.

Potential to terminate the Arrangement Agreement

Each of Athabasca and AcquireCo has the right to terminate the Arrangement Agreement in certain circumstances. Accordingly, there is no certainty, nor can Athabasca provide any assurance, that the Arrangement Agreement will not be terminated by Athabasca or AcquireCo before the completion of the Arrangement. If for any reason the Arrangement is not completed, the market price of Athabasca Shares, which following announcement of the Arrangement rose to approximately the amount of the Cash Consideration payable under the Arrangement to the Athabasca Shareholders, may be adversely affected. The weighted average trading price of the Athabasca Shares for the two months prior to announcement of the Arrangement was \$0.10 per Athabasca Share. Moreover, if the Arrangement Agreement is terminated, or the Arrangement is not completed for any reason, there is no assurance that the Board will be able to find a party willing to pay an equivalent or a more attractive price for the Athabasca Shares than the value to be received by Athabasca Shareholders pursuant to the terms of the Arrangement.

Occurrence of a Material Adverse Effect

The completion of the Arrangement is subject to a condition in favour of AcquireCo that there shall not have occurred a Material Adverse Effect. Although a Material Adverse Effect excludes certain events that are beyond the control of Athabasca (such as general changes in the economy or changes generally affecting the industries or markets in which Athabasca operates and which do not have a disproportionate effect on Athabasca), there can be no assurance that a Material Adverse Effect will not occur prior to the Effective Time. If a Material Adverse Effect occurs and AcquireCo does not waive such condition, the Arrangement would not proceed.

Athabasca may be required to pay the Termination Fee

If the Arrangement Agreement is not completed, Athabasca may be required, in certain circumstances, to pay the Termination Fee to AcquireCo.

The Termination Fee may discourage other parties from making a Superior Proposal

Under the Arrangement Agreement, Athabasca is required to pay the Termination Fee in the event that the Arrangement Agreement is terminated in circumstances related to a possible alternative transaction to the Arrangement. The Termination Fee may discourage other parties from making a Superior Proposal, even if such a transaction could provide better value to Athabasca Securityholders than the Arrangement.

Failure to complete the Arrangement could negatively impact Athabasca's share price, future business and operations

There are a number of material risks to which Athabasca is subject to relating to the Arrangement not being completed, including the following:

- the price of the Athabasca Shares may decline to the extent that the current market price reflects a market assumption that the Arrangement will be completed;
- certain costs related to the Arrangement, such as legal, accounting, financial advisory, as well as, in certain circumstances, the Termination Fee, may be payable by Athabasca even if the Arrangement is not completed; and
- Athabasca will continue to be subject to various risks related to its ongoing business (see “*Risks Relating to Athabasca*” below). Considering the current market conditions, if the Corporation continues on as a public corporation there is a significant risk that, over time, the Corporation may have higher debt and continued limited access to accretive capital.

Athabasca Shareholders (other than the Ongoing Shareholder or Persons or entities related to the Ongoing Shareholder) will no longer hold an interest in Athabasca following the Arrangement

Following the Arrangement, Athabasca Shareholders will no longer hold any of the Athabasca Shares and Athabasca Shareholders will forego any future increase in value that might result from future growth and the potential achievement of Athabasca's long-term plans.

The Arrangement is a taxable transaction

The Arrangement will be a taxable transaction and, as a result, Athabasca Securityholders will generally be required to pay taxes on any gains that result from their receipt of the Cash Consideration pursuant to the Arrangement. See “*Certain Canadian Federal Income Tax Considerations*” in this Circular.

Forward-Looking Statements may prove to be inaccurate

Athabasca Securityholders are cautioned not to place undue reliance on forward-looking statements. By their nature, forward-looking statements involve numerous assumptions, known and unknown risks and uncertainties, of both a general and specific nature, that could cause actual results to differ materially from those suggested by the forward looking statement or contribute to the possibility that predictions, forecasts or projections will prove to be materially inaccurate. See “*Forward-looking Statements*” in this Circular.

Risks Relating to Athabasca

If the Arrangement is not completed, Athabasca will continue to face, and Athabasca Shareholders will continue to be exposed to, the risks associated with continuing as a public corporation and the risks that it currently faces with respect

to its business and affairs, including, financing risks, competitive risks, potential environmental liabilities, changes in Laws and the other risk described in Athabasca's AIF, which is incorporated by reference in this Circular. Considering the current market conditions, it was perceived that a legitimate risk existed that, if the Corporation continued on as a public corporation that, over time, the Corporation would likely have higher debt and continued limited access to accretive capital. In addition, Athabasca's customers, clients and strategic partners, in response to the announcement of the Arrangement, may delay or defer decisions concerning Athabasca. Any delay or deferral of those decisions by customers or strategic partners could have a Material Adverse Effect on the business and operations of Athabasca, regardless of whether the Arrangement is ultimately completed. Similarly, current and prospective Athabasca employees may experience uncertainty about their futures until AcquireCo's future intentions or strategies with respect to Athabasca are announced and executed. This may adversely affect Athabasca's ability to attract or to retain key management and employees.

RIGHTS OF DISSENTING ATHABASCA SHAREHOLDERS

The following description of the rights of Dissenting Shareholders is not a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of such holder's Athabasca Shares and is qualified in its entirety by the reference to the full text of the Interim Order, which is attached to this Circular as Appendix C, and the text of Section 191 of the ABCA, which is attached to this Circular as Appendix D. A Dissenting Shareholder who intends to exercise Dissent Rights should carefully consider and comply with the provisions of Section 191 of the ABCA, as modified by the Interim Order and the Plan of Arrangement. Failure to comply with the provisions of that section, as modified by the Interim Order and the Plan of Arrangement, and to adhere to the procedures established therein may result in the loss of all rights thereunder.

The Court hearing the application for the Final Order has the discretion to alter the rights of dissent described herein based on the evidence presented at such hearing.

Pursuant to the Interim Order, a registered Athabasca Shareholder is entitled, in addition to any other rights the holder may have, to dissent and to be paid by AcquireCo the fair value of the Athabasca Shares held by the holder in respect of which the holder dissents, determined as of the close of business on the last Business Day before the day on which the resolution from which such holder dissents was adopted. **Only registered Athabasca Shareholders may dissent. Persons who are Beneficial Shareholders who hold Athabasca Shares registered in the name of a broker, custodian, nominee or other intermediary who wish to dissent should be aware that they may only do so through the registered owner of such Athabasca Shares. Accordingly, a Beneficial Shareholder desiring to exercise Dissent Rights must make arrangements for the Athabasca Shares beneficially owned by such Beneficial Shareholder to be registered in the name of such Beneficial Shareholder prior to the time the written objection to the Arrangement Resolution is required to be received by the Corporation or, alternatively, make arrangements for the registered holder of such Athabasca Shares to dissent on behalf of the Beneficial Shareholder.**

A Dissenting Shareholder must send to Athabasca a written objection to the Arrangement Resolution, which written objection must be received by Athabasca, c/o Fasken Martineau DuMoulin LLP, Suite 3100, 350 – 7th Avenue S.W. Calgary, Alberta T2P 3N9, Attention: Sarah Gingrich, by 4:00 p.m. (Calgary time) on October 27, 2023 (or 4:00 p.m. (Calgary time) on the Business Day which is five Business Days prior to the date of the Meeting if it is not held on November 3, 2023). No Athabasca Securityholder who has voted in favour of the Arrangement Resolution shall be entitled to dissent with respect to the Arrangement. A registered holder of Athabasca Shares may not exercise Dissent Rights in respect of only a portion of such holder's Athabasca Shares, but may dissent only with respect to all of the Athabasca Shares held by such holder.

An application may be made to the Court by AcquireCo or by a Dissenting Shareholder after adoption of the Arrangement Resolution to fix the fair value of the Dissenting Shareholder's Athabasca Shares. If such an application to the Court is made by either AcquireCo or a Dissenting Shareholder, AcquireCo must, unless the Court otherwise orders, send to each Dissenting Shareholder a written offer to pay such Person an amount considered by the sole manager of AcquireCo to be the fair value of the Athabasca Shares held by such Dissenting Shareholders. The offer, unless the Court otherwise orders, will be sent to each Dissenting Shareholder at least 10 days before the date on which the application is returnable, if AcquireCo is the applicant, or within 10 days after AcquireCo is served with

notice of the application, if a Dissenting Shareholder is the applicant. The offer will be made on the same terms to each Dissenting Shareholder and will be accompanied by a statement showing how the fair value was determined.

A Dissenting Shareholder may make an agreement with AcquireCo for the purchase of such Dissenting Shareholder's Athabasca Shares in the amount of AcquireCo's offer (or otherwise) at any time before the Court pronounces an order fixing the fair value of the Athabasca Shares.

A Dissenting Shareholder is not required to give security for costs in respect of an application and, except in special circumstances, will not be required to pay the costs of the application and appraisal. On the application, the Court will make an order fixing the fair value of the Athabasca Shares of all Dissenting Shareholders who are parties to the application, giving judgment in that amount against AcquireCo and in favour of each of those Dissenting Shareholders, and fixing the time within which AcquireCo must pay that amount payable to the Dissenting Shareholders. The Court may in its discretion allow a reasonable rate of interest on the amount payable to each Dissenting Shareholder calculated from the date on which the Dissenting Shareholder ceases to have any rights as an Athabasca Shareholder until the date of payment.

On the Arrangement becoming effective, or upon the making of an agreement between AcquireCo and the Dissenting Shareholder as to the payment to be made by AcquireCo to the Dissenting Shareholder, or the pronouncement of a Court order, whichever first occurs, the Dissenting Shareholder will cease to have any rights as an Athabasca Shareholder other than the right to be paid the fair value of such Dissenting Shareholder's Athabasca Shares in the amount agreed to between AcquireCo and the Dissenting Shareholder or in the amount of the judgment, as the case may be. Until one of these events occurs, the Dissenting Shareholder may withdraw his, her or its dissent, or if the Arrangement has not yet become effective the Corporation may rescind the Arrangement Resolution, and, in either event, the dissent and appraisal proceedings in respect of that Dissenting Shareholder will be discontinued.

AcquireCo shall not make a payment to a Dissenting Shareholder under Section 191 of the ABCA if there are reasonable grounds for believing that AcquireCo is or would after the payment be unable to pay its liabilities as they become due, or that the realizable value of the assets of AcquireCo would thereby be less than the aggregate of its liabilities. In such event, AcquireCo shall notify each Dissenting Shareholder that it is lawfully unable to pay Dissenting Shareholders for their Athabasca Shares in which case the Dissenting Shareholder may, by written notice to AcquireCo within 30 days after receipt of such notice, withdraw such holder's written objection, in which case such Dissenting Shareholder shall, in accordance with the Interim Order, be deemed to have participated in the Arrangement as an Athabasca Shareholder. If the Dissenting Shareholder does not withdraw such holder's written objection, such Dissenting Shareholder retains status as a claimant against AcquireCo to be paid as soon as AcquireCo is lawfully entitled to do so or, in liquidation, to be ranked subordinate to creditors but prior to its shareholders.

All Athabasca Shares held by Athabasca Shareholders who exercise their Dissent Rights will, if the holders are ultimately entitled to be paid the fair value thereof, be deemed to be transferred to AcquireCo at the Effective Time in exchange for the fair value as of the close of business on the last Business Day before the Arrangement Resolution is approved by Athabasca Securityholders. If such Dissenting Shareholders are not ultimately entitled to be paid the fair value for the Athabasca Shares, such Dissenting Shareholders' Athabasca Shares will be deemed to have participated in the Arrangement on the same basis as a non-dissenting holder of Athabasca Shares notwithstanding the provisions of Section 191 of the ABCA.

The above summary does not purport to provide a comprehensive statement of the procedures to be followed by a Dissenting Shareholder who seeks payment of the fair value of their Athabasca Shares. Section 191 of the ABCA and the terms of the Interim Order require adherence to the procedures established therein and failure to do so may result in the loss of all rights thereunder. **Accordingly, each Dissenting Shareholder who is considering the right to dissent and appraisal should carefully consider and comply with the provisions of that section and the Interim Order, the full text of which are set out in Appendices D and C, respectively, to this Circular, as modified by the Interim Order and the Plan of Arrangement, and consult their own legal advisor.**

The Arrangement Agreement provides that, unless otherwise waived by AcquireCo, it is a condition to the completion of the Arrangement, that Dissent Rights shall not have been exercised in respect of more than 10% of the outstanding Athabasca Shares that have not been withdrawn at the Effective Time.

PROCEDURES FOR RECEIPT OF CONSIDERATION

Procedure for Exchange of Athabasca Shares for Consideration

Registered Athabasca Shareholders (other than the Ongoing Shareholder or Persons or entities related to the Ongoing Shareholder, or Dissenting Shareholders) are required to validly complete and duly sign a Letter of Transmittal, together with accompanying Athabasca Share certificate(s), if any, and such other documents as may be required thereby and submit such documents to the Depositary, to receive the Cash Consideration under the Arrangement. The procedures for Athabasca Shareholders are discussed below.

The details of the procedures for the deposit of Athabasca Share certificates and the delivery by the Depositary of the Cash Consideration payable pursuant to the Arrangement are set out in the Letter of Transmittal accompanying this Circular. **Athabasca Shareholders who have not received a Letter of Transmittal should contact Athabasca, Attention: Investor Relations or TSX Trust Company at 1-866-600-5869 (toll-free in Canada and US).**

Only registered Athabasca Shareholders may submit a Letter of Transmittal. If you hold your Athabasca Shares through a nominee such as a broker or dealer, you should carefully follow any instructions provided to you by such nominee. **Failure to return the Letter of Transmittal and the original certificate(s) representing your Athabasca Shares may result in a delay in you receiving your Cash Consideration payable under the Arrangement. It is requested that Athabasca Shareholders enclose copies of any DRS Advices representing their Athabasca Shares with their Letter of Transmittal, however a failure to enclose any DRS statements will not, alone, delay receipt of the Cash Consideration payable under the Arrangement.**

Athabasca Shareholders must validly complete, duly sign and return the enclosed Letter of Transmittal, together with the original certificate(s) representing their Athabasca Shares and such other documents as may be required thereby, to the Depositary at the office specified in the Letter of Transmittal. The Depositary is asking that Athabasca Shareholders enclose any DRS Advices representing their Athabasca Shares with their Letter of Transmittal.

If an Athabasca Shareholder deposits Athabasca Shares with the Depositary prior to the Meeting and if the Arrangement is approved at the Meeting (including any adjournment thereof) the deposit of the Athabasca Shares is irrevocable unless the Arrangement is not subsequently completed.

Athabasca Shareholders who do not forward to the Depositary a validly completed and duly signed Letter of Transmittal, together with their original Athabasca Share certificate(s) and such other documents as may be required thereby, will not receive the Cash Consideration to which they are otherwise entitled until such a deposit is made. Whether or not Athabasca Shareholders forward their original Athabasca Share certificate(s) upon the completion of the Plan of Arrangement on the Effective Date, Athabasca Shareholders will cease to be shareholders of Athabasca as of the Effective Date and will only be entitled to receive the Cash Consideration to which they are entitled under the Plan of Arrangement or, in the case of registered Athabasca Shareholders who properly exercise Dissent Rights, the right to receive fair value for their Athabasca Shares in accordance with the Dissent Procedures.

No commission will be charged to Athabasca Shareholders who deliver their certificate(s) evidencing Athabasca Shares according to the instructions set out in the Letter of Transmittal. Although it is currently anticipated that the Effective Date will be November 9, 2023, it is not possible to determine precisely when the Arrangement will become effective.

The method of delivery of certificates and DRS Advices representing Athabasca Shares and all other required documents is at the option and risk of the Person depositing his, her or its Athabasca Shares. Any use of the mail to forward certificates or DRS Advices representing Athabasca Shares or the related Letter of Transmittal is at the election and sole risk of the Person depositing Athabasca Shares, and documents so mailed shall be deemed to have been received by Athabasca only upon actual receipt by the Depositary. If such certificates, DRS Advices and other documents are to be mailed, Athabasca recommends that insured mail be used with return receipt or acknowledgement of receipt requested.

The Cash Consideration payable to a former holder of Athabasca Shares who has complied with the procedures set out above will, as soon as practicable after the Effective Date and after the receipt of all required documents: (i) be forwarded to the former Athabasca Shareholder at the address specified in the Letter of Transmittal by first-class mail; (ii) be made available at the offices of the Depositary, TSX Trust Company at the addresses set out in the Letter of Transmittal for pickup by the holder; or (iii) by wire transfer, as requested by the holder in the Letter of Transmittal. **Under no circumstances will interest accrue or be paid by Athabasca, AcquireCo or the Depositary on the Cash Consideration for the Athabasca Shares to Persons depositing Athabasca Shares with the Depositary, regardless of any delay in delivering Cash Consideration for the Athabasca Shares.**

Where a share certificate representing the Athabasca Shares has been destroyed, lost or misplaced, the registered Athabasca Shareholder of that share certificate should immediately complete the Letter of Transmittal as fully as possible and return it together with a letter describing the loss, to the Depositary in accordance with instructions in the Letter of Transmittal. The Depositary has been instructed to respond with replacement share certificate requirements which are also set out in the Plan of Arrangement. All required documentation must be validly completed and returned to the Depositary before the Cash Consideration will be issued. Further details on the procedure for the replacement of destroyed, lost or misplaced share certificates are contained in the instructions set forth in the Letter of Transmittal.

Athabasca Shareholders whose Athabasca Shares are registered in the name of a broker, investment dealer, bank, trust company or other intermediary should contact that intermediary for instructions and assistance in delivering certificates representing those Athabasca Shares.

The Plan of Arrangement provides that any certificate formerly representing Athabasca Shares that were transferred to AcquireCo pursuant to the Plan of Arrangement not duly surrendered on or before the day prior to the sixth anniversary of the Effective Date shall cease to represent a claim by or interest of any former holder of Athabasca Shares of any kind or nature against or in AcquireCo or Athabasca.

Procedure for Exchange of Other Securities

As at the Effective Time, Athabasca will cause payment to the former holders of Athabasca DSUs and Athabasca Options the consideration to which they are entitled in accordance with the Plan of Arrangement, less applicable withholdings. Athabasca Optionholders and Athabasca DSU Holders do not need to deliver the Letter of Transmittal or any other certificates or documentation in order to receive the applicable consideration for such Athabasca Options and Athabasca DSUs.

No Athabasca Optionholder or Athabasca DSU Holder shall be entitled to receive any consideration with respect to such Athabasca Option or Athabasca DSU, as applicable, other than the consideration to which such holder is entitled to receive under the Plan of Arrangement and, for greater certainty, no such holder will be entitled to receive any interest, dividend, premium or other payment in connection therewith.

MATTERS TO BE CONSIDERED AT THE MEETING

Arrangement Resolution

At the Meeting, Athabasca Securityholders will be asked to consider and vote upon the Arrangement Resolution in the form set forth in Appendix A to this Circular. Athabasca Securityholders are urged to review this Circular carefully and in its entirety when considering the Arrangement Resolution. See *“The Arrangement – Vote Required to Approve the Arrangement”* in this Circular.

The Arrangement Resolution must be approved by the Athabasca Securityholders at the Meeting by the affirmative vote thereon at the Meeting by at least: (i) 66⅔% of the votes cast by all Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat; (ii) 66⅔% of the votes cast by all Athabasca Securityholders (voting as a single class), present in person or represented by proxy at the Meeting and entitled to vote thereat; and (iii) a majority of the votes cast by Athabasca Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat, after excluding the votes cast by persons whose votes may not be included in determining minority approval pursuant to MI 61-101. See *“The Arrangement – Vote Required to Approve the*

Arrangement” and “*The Arrangement – Business Combination under MI 61-101 – Minority Approval Requirements*” in the Circular.

Unless instructed otherwise, the persons designated by management of Athabasca in the enclosed form of proxy intend to vote FOR the approval of the Arrangement Resolution. The Board unanimously recommends (with the director who is an Ongoing Director abstaining) that Athabasca Securityholders vote FOR the Arrangement Resolution.

Other Matters to be Considered at the Meeting

At the time of printing this Circular, Athabasca knows of no other matter expected to come before the Meeting, other than the vote on the Arrangement Resolution.

INDEBTEDNESS OF DIRECTORS, EXECUTIVE OFFICERS AND EMPLOYEES

No director, executive officer, employee or former director, executive officer or employee of Athabasca nor any of their associates or affiliates, is, or has been at any time since the beginning of the last completed financial year, indebted to Athabasca nor has any such person been indebted to any other entity where such indebtedness is the subject of a guarantee, support agreement, letter of credit or similar arrangement or understanding, provided by Athabasca.

INTEREST OF INFORMED PERSONS IN MATERIAL TRANSACTIONS

Athabasca entered into an amended credit agreement for the amendment of the secured bridge loan of \$2,000,000 from AcquireCo as previously announced and entered into on February 28, 2023, and as further amended on September 20, 2023 (the “**Loan**”). AcquireCo is a related party to Athabasca, as AcquireCo 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 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. Other than as set forth herein, Athabasca is not aware of any material interests, direct or indirect, by way of beneficial ownership of securities or otherwise, of any director or executive officer, proposed nominee for election as a director or any Athabasca Shareholder holding more than 10% of the voting rights attached to the Athabasca Shares or any associate or affiliate of any of the foregoing in any transaction in the preceding financial year or any proposed transaction of Athabasca which has or will materially affect Athabasca.

AUDITOR

The auditors of Athabasca are Grant Thornton LLP, at Suite 1600 333 Seymour Street Vancouver, British Columbia V6B 0A4.

ADDITIONAL INFORMATION

Additional information relating to Athabasca is available through the internet on SEDAR+ which can be accessed at **www.sedarplus.ca**. Financial information on Athabasca is provided in the comparative financial statements and related management’s discussion and analysis of Athabasca which can also be accessed at **www.sedarplus.ca** or which may be obtained upon request by contacting our Investor Relations department at info@athabascaminerals.com.

APPROVAL AND CERTIFICATION

The content and delivery of this Circular has been approved by the Board.

DATED this 4th day of October, 2023

**BY ORDER OF THE BOARD OF DIRECTORS
OF ATHABASCA MINERALS INC.**

By: (signed) "*Don Paulencu*"

Name: Don Paulencu

Title: Chairman of the Board

EVANS & EVANS, INC.

SUITE 130, 3RD FLOOR, BENTALL II, 555 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA
CANADA V7X 1M8

19TH FLOOR, 700 2ND STREET SW
CALGARY, ALBERTA
CANADA T2P 2W2

6TH FLOOR, 176 YONGE STREET
TORONTO, ONTARIO
CANADA M5C 2L7

CONSENT OF EVANS & EVANS

To: The Board of Directors (the “**Board**”) of Athabasca Minerals Inc. (“**Athabasca**”)

We refer to the information circular and proxy statement (the “**Information Circular**”) of Athabasca dated October 4, 2023 relating to the special meeting of securityholders of Athabasca to approve an arrangement under the *Business Corporations Act* (Alberta) involving, among others, Athabasca and JMAC Energy Services LLC.

We consent to the inclusion in the Information Circular of our fairness opinion to the Board and the special committee of the Board dated September 20, 2023 as Appendix E and a summary thereof in the Information Circular. Our fairness opinion was given as of September 20, 2023 and remains subject to the assumptions, qualifications and limitations contained therein. In providing our consent, we do not intend that any person other than the Board and the special committee of the Board shall be entitled to rely on our opinion.

DATED this 4th day of October, 2023.

(Signed) "Evans & Evans"

Evans & Evans, Inc.

APPENDIX A
ARRANGEMENT RESOLUTION

ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

- (a) the arrangement under Section 193 of the *Business Corporations Act* (Alberta) (the "**Arrangement**"), substantially as set forth in the plan of arrangement (the "**Plan of Arrangement**") attached as Schedule "A" to the Arrangement Agreement dated September 20, 2023, between Athabasca Minerals Inc. ("**AMI**") and JMAC Energy Services LLC (the "**Arrangement Agreement**"), is hereby authorized, ratified and approved;
- (b) the Arrangement Agreement, the actions of the directors of AMI (the "**Board**") in approving the Arrangement Agreement and the actions of the directors and officers of AMI in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved;
- (c) notwithstanding that this resolution has been duly passed by the shareholders of AMI and/or has received the approval of the Court of King's Bench of Alberta, the Board may, without further notice to or approval of the shareholders of AMI, amend or terminate the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement, and subject to the terms of the Arrangement Agreement not proceed with the Arrangement;
- (d) any director or officer of AMI, other than Jon McCreary, is hereby authorized, for and on behalf of AMI, to execute and deliver the articles of arrangement and to execute, with or without the corporate seal, and, if appropriate, deliver all other documents and instruments and to do all other things as in the opinion of such director or officer, other than Jon McCreary, may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and taking of any such action; and
- (e) all actions taken by or on behalf of AMI in connection with any matters referred to in any of the foregoing resolutions which were in furtherance of the Arrangement are hereby approved, ratified and confirmed in all respects.

APPENDIX B
ARRANGEMENT AGREEMENT

JMAC ENERGY SERVICES LLC

AND

ATHABASCA MINERALS INC.

ARRANGEMENT AGREEMENT

DATED SEPTEMBER 20, 2023

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SCHEDULE B ARRANGEMENT RESOLUTION

SCHEDULE C KEY REGULATORY APPROVALS

ARRANGEMENT AGREEMENT

THIS ARRANGEMENT AGREEMENT dated September 20, 2023,

BETWEEN:

JMAC ENERGY SERVICES LLC, a limited liability company validly subsisting under the laws of the State of Delaware ("**JMAC**")

AND:

ATHABASCA MINERALS INC., a corporation existing under the laws of the Province of Alberta ("**AMI**")

WHEREAS:

- A. AMI wishes to undertake a Plan of Arrangement (as defined herein) whereby JMAC will directly or indirectly acquire all of the outstanding AMI Shares (as defined herein) not currently owned by JMAC or another JMAC related entity.
- B. The AMI Board (as defined herein) has unanimously (excluding directors that have abstained from voting in accordance with section 120 of the *Business Corporations Act* (Alberta) ("**ABCA**") approved the transactions contemplated by this Agreement (as defined herein) and determined that the Arrangement (as defined herein) is in the best interests of AMI and recommends that the Securityholders (as defined herein) vote in favour of the Arrangement.
- C. In furtherance of such business combination, the AMI Board has agreed to submit the Plan of Arrangement to the Securityholders and the Court (as defined herein) for approval.

THIS AGREEMENT WITNESSES THAT in consideration of the covenants and agreements herein contained and other good and valuable consideration (the receipt and sufficiency of which are hereby acknowledged), the Parties covenant and agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement, unless the context otherwise requires:

"**ABCA**" has the meaning ascribed to such term in the recitals;

"**AcquisitionCo**" has the meaning ascribed to such term in Section 2.1(b);

"**Acquisition Proposal**" means, other than the transactions contemplated by this Agreement, any offer, *bona fide* proposal, expression of interest, or inquiry, whether oral or written, from any person (other than JMAC or any of its affiliates) made after the date of this Agreement relating to: (a) any acquisition, sale, lease, long-term supply agreement or other arrangement having the same economic effect as a sale, direct or indirect, of: (i) the assets of AMI and/or one or more of its subsidiaries that, individually or in the aggregate, constitute 20% or more of the consolidated assets of AMI and its subsidiaries taken as a whole (based on the most recently filed financial statements on SEDAR); or (ii) 20% or more of any voting or equity securities of AMI, or one or

more of its subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the consolidated assets of AMI and its subsidiaries, taken as a whole; (b) any take-over bid, tender offer or exchange offer for any class of voting or equity securities of AMI; or (c) a plan of arrangement, merger, amalgamation, consolidation, share exchange, business combination, reorganization, recapitalization, liquidation, dissolution or other similar transaction involving AMI or any of its subsidiaries whose assets, individually or in the aggregate, constitute 20% or more of the consolidated assets of AMI and its subsidiaries, taken as a whole;

"affiliate" has the meaning ascribed to such term in National Instrument 45-106 — *Prospectus Exemptions* of the Canadian Securities Administrators;

"Agreement" means this arrangement agreement as the same may be amended, supplemented or otherwise modified from time to time in accordance with the terms hereof;

"AMI" has the meaning ascribed to such term in the recitals;

"AMI Board" means the board of directors of AMI as the same is constituted from time to time;

"AMI Deferred Share Unit Plan" means the deferred share unit plan of AMI previously approved by Shareholders on June 21, 2022;

"AMI DSU" means a deferred share unit issued pursuant to the AMI Deferred Share Unit Plan;

"AMI DSU Holders" means the holders of AMI DSUs;

"AMI Material Contracts" has the meaning ascribed to such term in Section 3.1(aa);

"AMI Material Permits" has the meaning ascribed to such term in Section 3.1(bb);

"AMI Options" means options granted by AMI to purchase AMI Shares pursuant to the AMI Option Plan;

"AMI Optionholders" means the holders of AMI Options;

"AMI Option Plan" means the incentive stock option plan of AMI effective July 3, 2013 and approved by the Shareholders on June 21, 2022;

"AMI Properties" means those properties as described in the Public Disclosure Record and as set forth in the Disclosure Letter;

"AMI Restricted Share Unit Plan" means the restricted share unit plan of AMI previously approved by Shareholders on June 21, 2022;

"AMI RSU" means a restricted share unit issued pursuant to the AMI Restricted Share Unit Plan;

"AMI Shares" means the common shares of AMI;

"AMI Share Purchase Plan" means the stock purchase plan of AMI pursuant to which AMI Shares are purchased in the market on behalf of service providers to AMI;

"AMI Silica" means AMI Silica LLC;

"AMI Special Committee" means the special committee of the AMI Board, as the same is constituted from time to time;

"Arrangement" means the arrangement under section 193 of the ABCA on the terms and subject to the conditions set out in the Plan of Arrangement, subject to any amendments or variations thereto in accordance with this Agreement hereof or the Plan of Arrangement or at the direction of the Court in the Final Order with the prior written consent of AMI and JMAC, each acting reasonably;

"Arrangement Resolution" means the special resolution of the Securityholders approving the Arrangement to be considered at the Meeting, substantially in the form and substance of Schedule B;

"ASC" means the Alberta Securities Commission;

"associate" has the meaning ascribed to such term in the Securities Act;

"Authorization" means with respect to any person, any order, Permit, approval, consent, waiver, licence or similar authorization of any Governmental Entity having jurisdiction over the person;

"Benefit Plans" means all employee benefit, health, welfare, dental, supplemental unemployment benefit, bonus, incentive, profit sharing, deferred compensation, stock purchase, stock compensation, stock option, disability, life insurance, pension or retirement plans, group registered retirement savings and other employee compensation or benefit plans, policies, arrangements, practices or undertakings, whether oral or written, formal or informal, funded or unfunded, registered or unregistered, insured or self-insured which are sponsored, administered or maintained by or contributed to or required to be contributed to by, or which are otherwise binding upon, AMI or any of its subsidiaries or in respect of which AMI or any of its subsidiaries has any actual or potential liability;

"business day" means any day, other than a Saturday, a Sunday or a statutory or civic holiday in Calgary, Alberta;

"Canaccord" means Canaccord Genuity Corp.;

"Canaccord Agreement" means the financial advisory services agreement between AMI and Canaccord dated March 27, 2023;

"CASL" means *An Act to promote the efficiency and adaptability of the Canadian economy by regulating certain activities that discourage reliance on electronic means of carrying out commercial activities, and to amend the Canadian Radio-television and Telecommunications Commission Act, the Competition Act, the Personal Information Protection and Electronic Documents Act and the Telecommunications Act (Canada)*;

"Change in Recommendation" means the circumstances where, prior to AMI having obtained the Securityholder Approval, the AMI Board, in a manner adverse to JMAC, fails to recommend or withdraws, amends, modifies, qualifies or fails to reaffirm its recommendation of the Arrangement within five business days (and in any case at least two business days prior to the Meeting) after having been requested in writing by JMAC to do so, as applicable, with the taking of a neutral position or no position with respect to an Acquisition Proposal beyond a period of ten business days following the public announcement of such Acquisition Proposal (or beyond the

date which is two business days prior to the Meeting, if sooner) being considered an adverse modification;

"Circular" means the notice of the Meeting and accompanying management information circular, including all schedules, appendices and exhibits thereto, to be sent to, among others, the Securityholders in connection with the Meeting, as amended, supplemented or otherwise modified from time to time;

"Concession" means any mining concession, contract, agreement, claim, lease, licence, Permit or other right to explore for, exploit, develop, mine or produce minerals or any interest therein which AMI or any of its subsidiaries owns or has a right or option to acquire or use;

"Confidentiality Agreement" means the confidentiality agreement between JMAC and AMI dated February 1, 2023;

"Consideration" means \$0.145;

"Contract" means any contract, agreement, license, franchise, lease, arrangement or other right or obligation to which AMI or any of its subsidiaries is a party or by which AMI or any of its subsidiaries is bound or affected or to which any of its respective properties or assets is subject;

"Court" means the Alberta Court of King's Bench;

"Data Room Information" means the information contained in the files, reports, data, documents and other materials relating to AMI and its subsidiaries as provided in the electronic data rooms hosted by AMI in connection with the transactions contemplated hereby as of September 20, 2023;

"Depository" means TSX Trust Company, or such other person or persons as the Parties have agreed in writing, to act as depository for the Arrangement, for the purpose of, among other things, exchanging certificates representing AMI Shares for the Consideration in connection with the Arrangement;

"Disclosure Letter" means the disclosure letter executed by AMI and delivered to JMAC in connection with the execution of this Agreement;

"Dissent Rights" means the rights of dissent in respect of the Arrangement described in the Plan of Arrangement;

"Effective Date" means the date upon which all of the conditions to completion of the Arrangement as set forth in this Agreement have been satisfied or waived and all documents agreed to be delivered hereunder have been delivered to the satisfaction of the Parties hereto, acting reasonably;

"Effective Time" means 12:01 a.m. (Calgary time) on the Effective Date;

"Environmental Laws" means all applicable federal, provincial, state, local and foreign Laws, imposing liability or standards of conduct for, or relating to, the regulation of activities, materials, substances or wastes in connection with, or for, or to, the protection of human health, safety, the environment or natural resources (including ambient air, surface water, groundwater, wetlands, land surface or subsurface strata, wildlife, aquatic species and vegetation);

"Environmental Liabilities" means, with respect to any person, all liabilities, remedial and removal costs, investigation costs, capital costs, operation and maintenance costs, losses, damages, (including punitive damages, property damages and consequential damages), costs and expenses, fines, penalties and sanctions incurred as a result of, or related to, any claim, suit, action, administrative order, closure plan, investigation, proceeding or demand by any person, whether based in contract, tort, implied or express warranty, strict liability, criminal or civil statute or common law arising under, or related to, any Environmental Laws, Environmental Permits, or in connection with any Release or threatened Release whether on, at, in, under, from or about or in the vicinity of any real or personal property;

"Environmental Permits" means all Permits, licenses, written authorizations, certificates, approvals, program participation requirements, sign-offs or registrations required by or available with or from any Governmental Entity under any Environmental Laws;

"Evans & Evans" means Evans & Evans, Inc.;

"Expense Reimbursement Event " has the meaning ascribed to such term in Section 7.4(b);

"Expense Reimbursement Fee" has the meaning ascribed to such term in Section 7.4(a);

"Fairness Opinion" has the meaning ascribed to such term in Section 3.1(b)(i);

"Final Order" means the final order of the Court pursuant to section 193 of the ABCA, approving the Arrangement, in form and substance acceptable to AMI and JMAC, after a hearing upon the procedural and substantive fairness of the terms and conditions of the Arrangement as such order may be affirmed, amended, modified, supplemented or varied by the Court with the consent of the Parties at any time prior to the Effective Date or, if appealed, then, unless such appeal is withdrawn or denied, as affirmed or as amended (provided that any such amendment is acceptable to both AMI and JMAC, each acting reasonably) on appeal;

"Financial Statements" has the meaning ascribed to such term in Section 3.1(k);

"Form 51-102F5" means Form 51-102F5 as prescribed in NI 51-102;

"Governmental Entity" means: (a) any multinational, federal, provincial, territorial, state, regional, municipal, local or other government, governmental or public department, central bank, court, tribunal, arbitral body, commission, board, bureau or agency, domestic or foreign; (b) any subdivision, agent, commission, bureau, board or authority of any of the foregoing; (c) any quasi-governmental or private body, including any tribunal, commission, regulatory agency or self-regulatory organization, exercising any regulatory, expropriation or Tax authority under or for the account of any of the foregoing; or (d) the TSX-V;

"Hazardous Substance" means any pollutant, contaminant, waste or chemical or any toxic, radioactive, ignitable, corrosive, reactive or otherwise hazardous or deleterious substance, waste or material, including petroleum, polychlorinated biphenyls, asbestos and urea-formaldehyde insulation, and any other material or contaminant regulated or defined under any Environmental Law;

"IFRS" means, at the relevant time, International Financial Reporting Standards as issued by the International Accounting Standards Board and Interpretations of the International Financial Reporting Interpretations Committee, prepared on a consistent basis;

"**including**" means including without limitation, and "**include**" and "**includes**" each have a corresponding meaning;

"**Intellectual Property**" means all domestic and foreign: (a) patents and patent applications, and all inventions and improvements disclosed therein; (b) trademarks, service marks, trade dress, trade names, brand names, designs, logos, commercial symbols and corporate names, and all registrations, applications and goodwill associated therewith; (c) copyrights and all works of authorship, whether or not registered; (d) Software; (e) domain names, internet addresses and other computer identifiers; (f) confidential and proprietary information, including without limitation, trade secrets, know-how, formulae, ideas, concepts, discoveries, innovations, improvements; and (g) all other intellectual property and proprietary rights in any form or medium known or later devised, all copies and tangible embodiments of the foregoing, and all goodwill associated with any of the foregoing;

"**Interim Order**" means the interim order of the Court, to be issued following the application therefor contemplated by Section 2.2(a), in form and substance acceptable to AMI and JMAC, each acting reasonably, providing for, among other things, the calling and holding of the Meeting, as the same may be affirmed, amended, modified, supplemented or varied by the Court with the consent of AMI and JMAC, each acting reasonably;

"**JMAC Loan**" means the loan agreement between AMI and JMAC dated February 28, 2023, as amended on June 30, 2023, and as further amended as of the date hereof;

"**Key Consents**" means those consents and approvals required from a party to proceed with the transactions contemplated by this Agreement and the Plan of Arrangement, as set out in the Disclosure Letter, as applicable;

"**Key Regulatory Approvals**" means those sanctions, rulings, consents, orders, exemptions, Permits and other approvals (including the lapse, without objection, of a prescribed time under a statute or regulation that states that a transaction may be implemented if a prescribed time lapses following the giving of notice without an order prohibiting closing being made) of Governmental Entities as set out in Schedule C;

"**Law**" or "**Laws**" means all laws (including common law), by-laws, statutes, rules, regulations, principles of law and equity, orders, rulings, ordinances, judgments, injunctions, determinations, awards, decrees or other requirements, whether domestic or foreign, and the terms and conditions of any grant of approval, permission, authority or license of any Governmental Entity or self-regulatory authority as now in effect and as same may be promulgated or amended from time to time, and the term "applicable" with respect to such Laws and in a context that refers to one or more persons, means such Laws as are applicable to such person(s) or its business, undertaking, property or securities and emanate from a person having jurisdiction over the person(s) or its or their business, undertaking, property or securities;

"**Legal Proceedings**" means any litigation, action, application, suit, investigation, inquiry, hearing, claim, deemed complaint, grievance, civil, administrative, regulatory, criminal or arbitration proceeding or other similar proceeding, before or by any Governmental Entity (including any appeal or review thereof and any application for leave for appeal or review);

"**Liens**" means any hypothecs, mortgages, pledges, assignments, deeds of trust, leases, liens, charges, security interests, encumbrances, royalty obligations, contingent payment obligations, right of first refusals, easements, servitudes, encroachments, restrictions of any kind (including

any restriction on use, transfer, receipt of income or exercise of any other attribute of ownership) and adverse rights or claims, whether contingent or absolute, and any agreement, option, right or privilege (whether by Law, contract or otherwise) capable of becoming any of the foregoing;

"Locked-up Securityholders" means each of the senior officers and directors of AMI;

"Material Adverse Effect" means, in respect of AMI, any change, effect, event or occurrence that either individually or in the aggregate with other such changes, effects, events or occurrences, is material and adverse to the business, operations, results of operations, assets, properties, condition (financial or otherwise) or liabilities of AMI and its subsidiaries, on a consolidated basis, except any change, effect, event or occurrence resulting from or relating to:

- (a) changes, developments or conditions in or relating to general international or Canadian or United States political, economic, financial, banking, currency exchange or capital market conditions;
- (b) any change or proposed change in any Laws or the interpretation, application or non-application of any Laws by any Governmental Entity;
- (c) any generally applicable changes in IFRS;
- (d) any act of civil unrest, civil disobedience, war, terrorism, cyberterrorism, military activity, sabotage or cybercrime, including an outbreak or escalation of hostilities involving any Governmental Entity or the declaration by any Governmental Entity of a national emergency or war, or any worsening or escalation of any such conditions threatened or existing on the date of this Agreement;
- (e) any hurricane, flood, tornado, earthquake or other natural disaster, man-made disaster or comparable event;
- (f) the commencement or continuation of any epidemic, pandemic, disease outbreak (including COVID-19), other outbreak of illness, health crisis or public health event including the escalation or worsening thereof;
- (g) any action taken (or omitted to be taken) by AMI or any of its subsidiaries which is expressly consented to by JMAC in writing;
- (h) change in the market price or trading volume of the AMI Shares (provided that the underlying cause of any such change may be taken into account in determining whether there has been a Material Adverse Effect);
- (i) a change attributable to the execution, announcement, pendency or performance of the transactions contemplated hereby;
- (j) a change relating to exchange rates;
- (k) any failure by AMI or any of its subsidiaries to meet any public estimates or expectations regarding its revenues, earnings or other financial performance or results of operations (provided that the underlying cause of any such change may be taken into account in determining whether there has been a Material Adverse Effect); or

- (l) anything identified under "Material Adverse Effect" of Schedule 1.1 of the Disclosure Letter;

provided, however, that each of subsections (a) through (f) above shall not apply to the extent that any of the changes, developments, conditions or occurrences referred to therein relate primarily to (or have the effect of relating primarily to) AMI and its subsidiaries, taken as a whole or disproportionately adversely affect AMI and its subsidiaries, taken as a whole in comparison to other persons of a similar size who operate in the aggregates mining industry and provided further, however, that references in certain sections of this Agreement to dollar amounts are not intended to be, and shall not be deemed to be, illustrative or interpretive for purposes of determining whether a Material Adverse Effect has occurred;

"Material Contract" means any Contract to which AMI or one or more of its subsidiaries (which for greater clarity, does not include AMI Silica) is party: (a) that if terminated or modified or if it ceased to be in effect, would reasonably be expected to have a Material Adverse Effect on AMI; (b) under which AMI or any of its subsidiaries has directly or indirectly guaranteed any liabilities or obligations of a third party (other than Ordinary Course endorsements for collection) in excess of \$100,000 in the aggregate; (c) relating to indebtedness for borrowed money, whether incurred, assumed, guaranteed or secured by any asset, with an outstanding principal amount in excess of \$100,000; (d) providing for the establishment, organization or formation of any joint venture that is material to it; (e) under which AMI or any of its subsidiaries is obligated to make or expects to receive payments in excess of \$100,000 over the remaining term of the contract; (f) that limits or restricts AMI or any of its subsidiaries from engaging in any line of business or any geographic area in any material respect; (g) performance bonds or obligations or other forms of security for performance; or (h) that is otherwise material to AMI and its subsidiaries, considered as a whole; and, for greater certainty, includes the AMI Material Contracts;

"material employee" means any employee, officer, director or consultant of AMI or any of its subsidiaries that is party to a change of control, severance, termination, "golden parachute" or similar agreement or provision;

"material fact" has the meaning ascribed to such term in the Securities Act;

"Meeting" means the special meeting of Securityholders, including any adjournment or postponement thereof, to be called and held in accordance with the Interim Order to consider the Arrangement Resolution;

"MI 61-101" means Multilateral Instrument 61-101 - *Protection of Minority Security Holders in Special Transactions* of the Canadian Securities Administrators;

"Money Laundering Laws" has the meaning ascribed to such term in Section 3.1(o);

"NI 51-102" means National Instrument 51-102 - *Continuous Disclosure Obligations* of the Canadian Securities Administrators;

"Ordinary Course" or any similar reference, means, with respect to an action taken by AMI, that such action is consistent with the past practices of AMI and is taken in the ordinary course of the normal day-to-day business and operations of AMI;

"OTC" means OTC Markets Group;

"Outside Date" means November 30, 2023, or such later date as may be agreed to in writing by the Parties;

"Party" means any of AMI or JMAC, as the case may be, and **"Parties"** means both of them, collectively;

"Permit" means any license, permit, certificate, consent, order, grant, approval, classification, registration or other Authorization of and from any Governmental Entity;

"Permitted Liens" means the security currently held by JMAC pursuant to the JMAC Loan;

"person" includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status;

"Plan of Arrangement" means the plan of arrangement, substantially in the form of Schedule A, and any amendments or variations thereto made in accordance with Section 8.3 or the Plan of Arrangement or at the direction of the Court;

"Pre-Acquisition Reorganization" has the meaning ascribed to such term in Section 5.6(a);

"Public Disclosure Record" means all documents and information required to be filed or furnished, as applicable, by AMI under applicable Securities Laws on SEDAR, since January 1, 2020;

"Qualified Person" shall have the meaning ascribed to such term in National Instrument 43-101 - *Standards of Disclosure for Mineral Projects* of the Canadian Securities Administrators;

"Registrar" has the meaning ascribed to such term in the ABCA;

"Regulatory Authorities" has the meaning ascribed to such term in Section 3.1(ff)(i);

"Regulatory Authorizations" has the meaning ascribed to such term in Section 3.1(ff)(ii);

"Release" means any release, spill, emission, leaking, pumping, pouring, emitting, emptying, escape, injection, deposit, disposal, discharge, dispersal, dumping, leaching or migration of Hazardous Substance in the indoor or outdoor environment, including the movement of Hazardous Substance through or in the air, soil, surface water, ground water or property;

"Representatives" has the meaning ascribed to such term in Section 7.2(a);

"Response Period" has the meaning ascribed to such term in Section 7.3(a)(ii);

"Securities Act" means the *Securities Act* (Alberta) and the rules, regulations and published policies made thereunder, as now in effect and as they may be promulgated or amended from time to time;

"Securities Authorities" means the ASC and the applicable securities commissions and other securities regulatory authorities in British Columbia, Alberta and Ontario;

"Securities Laws" means the Securities Act, together with all other applicable provincial securities laws, rules and regulations and published policies thereunder, as now in effect and as they may be promulgated or amended from time to time;

"**Securityholders**" means, collectively, the Shareholders and the AMI Optionholders, from time to time;

"**Securityholder Approval**" has the meaning ascribed to such term in Section 2.2(a)(ii);

"**SEDAR**" means the System for Electronic Document Analysis and Retrieval described in National Instrument 13-101 - *System for Electronic Document Analysis and Retrieval* (SEDAR) of the Canadian Securities Administrators and available for public view at www.sedarplus.ca;

"**Shareholder Loans**" means the \$2,400,000 in shareholder loans entered into between AMI and certain Shareholders, that were amended and restated on December 31, 2022, to provide for an extension of the maturity date to April 1, 2024;

"**Shareholders**" means the holders of the AMI Shares;

"**Software**" means software, including, without limitation, computer programs, operating systems, applications, software, source code, firmware, utilities, tools, libraries, data files, databases, graphics, graphical user interfaces, menus, images, icons, forms, methods of processing, software engines, platforms, schematics, interfaces, architecture, file formats, routines, algorithms, and all specifications and documentation (including, but not limited to, developer notes, comments and annotations) related thereto and all copyrights therein. Notwithstanding the foregoing, this definition of "Software" expressly excludes all "shrink wrap" and "click wrap" third-party Software;

"**subsidiary**" means, with respect to a specified body corporate, any body corporate of which more than 50% of the outstanding shares ordinarily entitled to elect a majority of the board of directors thereof (whether or not shares of any other class or classes shall or might be entitled to vote upon the happening of any event or contingency) are at the time owned directly or indirectly by such specified body corporate and shall include any body corporate, partnership, joint venture or other entity over which such specified body corporate exercises direction or control or which is in a like relation to a subsidiary. For clarity, for the purposes of this definition AMI Silica is not a subsidiary of AMI or of JMAC;

"**Superior Proposal**" means any *bona fide*, unsolicited, written Acquisition Proposal made by a third party after the date of this Agreement that relates to the acquisition of 100% of the outstanding voting shares of AMI (other than voting shares owned by the person making the Superior Proposal) or all of the consolidated assets of AMI and its subsidiaries, taken as a whole and including AMI's interest in AMI Silica and:

- (a) that complies with applicable Laws and did not result from or involve a breach of Section 7.2;
- (b) that is not subject to a financing condition and in respect of which any funds or other consideration necessary to complete such Acquisition Proposal have been demonstrated to the satisfaction of the AMI Board, acting in good faith (after consultation with its financial advisor(s) and outside legal counsel), to have been obtained to fund completion of such Acquisition Proposal at the time and on the basis set out therein;
- (c) that is reasonably capable of being completed without undue delay, taking into account all financial, legal, regulatory and other aspects of such proposal and the person making such proposal;

- (d) that, in the case of an Acquisition Proposal to acquire 100% of the outstanding shares of AMI, is made available to all Shareholders on the same terms and conditions;
- (e) that is not subject to a due diligence and/or access condition;
- (f) that complies with Securities Laws in all material respects; and
- (g) in respect of which the AMI Board determines:
 - (i) in its good faith judgment, after receiving the advice of its outside legal and financial advisors, that having regard for all of its terms and conditions, such Acquisition Proposal, would, if consummated in accordance with its terms (but not assuming away any risk of non-completion), result in a transaction more favourable to the holders of its shares from a financial point of view than the Arrangement; and
 - (ii) in good faith (after consultation with AMI's outside legal counsel) that failure to recommend such Acquisition Proposal to the Shareholders, or to accept such Acquisition Proposal, as the case may be, would be inconsistent with the fiduciary duties of the AMI Board under applicable Law;

"Tax Act" means the *Income Tax Act* (Canada) and the regulations thereunder, as amended from time to time;

"Tax Returns" includes all returns, reports, declarations, elections, notices, filings, forms, statements and other documents (whether in tangible, electronic or other form) and including any amendments, schedules, attachments, supplements, appendices and exhibits thereto, made, prepared, filed or required to be made, prepared or filed in respect of Taxes;

"Taxes" mean any and all taxes, imposts, levies, withholdings, duties, fees, premiums, assessments and other charges of any kind, however denominated and instalments in respect thereof, including any interest, penalties, fines or other additions that have been, are or will become payable in respect thereof, imposed by any Governmental Entity, including for greater certainty all income or profits taxes (including Canadian federal, provincial and territorial income taxes), payroll and employee withholding taxes, employment taxes, unemployment insurance, disability taxes, social insurance taxes, sales and use taxes, ad valorem taxes, excise taxes, goods and services taxes, harmonized sales taxes, franchise taxes, gross receipts taxes, capital taxes, business license taxes, mining royalties, alternative minimum taxes, estimated taxes, abandoned or unclaimed (escheat) taxes, occupation taxes, real and personal property taxes, stamp taxes, environmental taxes, transfer taxes, severance taxes, workers' compensation, Canada and other government pension plan premiums or contributions and other governmental charges, and other obligations of the same or of a similar nature to any of the foregoing, which a Party or any of its subsidiaries is required to pay, withhold or collect, together with any interest, penalties or other additions to tax that may become payable in respect of such taxes, and any interest in respect of such interest, penalties and additions whether disputed or not;

"Termination Fee" has the meaning ascribed to such term in Section 7.4(d);

"Termination Fee Event" has the meaning ascribed to such term in Section 7.4(e);

"Transfer" has the meaning ascribed to such term in Section 5.3(d);

"Transaction Fee" means the amount payable by AMI to Canaccord pursuant to the Canaccord Agreement as further set out in Schedule 3.1(pp) of the Disclosure Letter;

"Transaction Personal Information" has the meaning ascribed to such term in Section 9.1;

"TSX-V" means the TSX Venture Exchange;

"United States" means the United States of America, its territories and possessions, any State of the United States and the District of Columbia; and

"Voting Agreements" means the voting agreements (including all amendments thereto) among JMAC, AMI and the Locked-up Securityholders setting forth the terms and conditions upon which the Locked-up Securityholders agree to vote their AMI Shares in favour of the Arrangement Resolution.

1.2 Interpretation Not Affected by Headings

The division of this Agreement into Articles, Sections, paragraphs and Schedules, and the insertion of headings are for convenience of reference only and shall not affect in any way the meaning or interpretation of this Agreement. Unless the contrary intention appears, references in this Agreement to an Article, Section, paragraph or Schedule by number or letter or both refer to the Article, Section, paragraph or Schedule, respectively, bearing that designation in this Agreement.

1.3 Number and Gender

In this Agreement, unless the contrary intention appears, words importing the singular include the plural and vice versa, and words importing gender include all genders.

1.4 Date for Any Action

If the date on which any action is required to be taken hereunder by a Party is not a business day, such action shall be required to be taken on the next succeeding day which is a business day.

1.5 Recitals

The recitals to this Agreement are incorporated into and constitute an integral part of this Agreement.

1.6 Currency

Unless otherwise stated, all references in this Agreement to sums of money are expressed in lawful money of Canada and "\$" refers to Canadian dollars.

1.7 Accounting Matters

Unless otherwise stated, all accounting terms used in this Agreement shall have the meanings attributable thereto under IFRS and all determinations of an accounting nature required to be made shall be made in a manner consistent with IFRS, consistently applied.

1.8 Knowledge

In this Agreement, references to "the knowledge of AMI" means the actual knowledge of Don Paulencu, Dana Archibald or David Churchill in each case after reasonable enquiry within AMI and its subsidiaries

and references to "the knowledge of JMAC" means the actual knowledge of Jon McCreary or Todd Erickson, in each case after reasonable enquiry within JMAC.

1.9 Schedules

The following Schedules are annexed to this Agreement and are incorporated by reference into this Agreement and form a part hereof:

Schedule A	—	Plan of Arrangement
Schedule B	—	Arrangement Resolution
Schedule C	—	Key Regulatory Approvals

ARTICLE 2 THE ARRANGEMENT

2.1 Arrangement and Meetings

- (a) AMI and JMAC agree that the Arrangement will be implemented in accordance with and subject to the terms and conditions contained in this Agreement and the Plan of Arrangement.
- (b) JMAC may acquire the AMI Shares through a direct or indirectly wholly-owned subsidiary, currently existing or to be organized under applicable Laws of any jurisdiction in Canada ("**AcquisitionCo**"). If the Arrangement is undertaken in whole or in part by AcquisitionCo, JMAC hereby guarantees in favour of AMI the due and punctual performance by AcquisitionCo of AcquisitionCo's obligations under the Arrangement and this Agreement.

2.2 Court Orders

AMI shall apply to the Court, in a manner acceptable to JMAC, acting reasonably, pursuant to the ABCA for the Interim Order and the Final Order as follows:

- (a) As soon as reasonably practicable following the date of execution of this Agreement, AMI shall file, proceed with and diligently pursue an application to the Court for the Interim Order which shall provide, among other things:
 - (i) the class of persons to whom notice is to be provided in respect of the Arrangement and the Meeting and the manner in which such notice is to be provided;
 - (ii) that the requisite approval for the Arrangement Resolution shall be: (1) 66⅔% of the votes cast on the Arrangement Resolution by the Shareholders present in person or by proxy at the Meeting; (2) 66⅔% of the votes cast on the Arrangement Resolution by the Securityholders (voting as a single class) present in person or by proxy at the Meeting; and (3) a majority of the votes cast by the Shareholders present in person or by proxy at the Meeting excluding for this purpose votes attached to the AMI Shares held by persons described in items (a) through (d) of subsection 8.1(2) of MI 61-101, if required (collectively, the "**Securityholder Approval**");

- (iii) that in all other respects, the terms, conditions and restrictions of AMI's constating documents, including quorum requirements and other matters, shall apply in respect of the Meeting;
 - (iv) for the grant of Dissent Rights only to registered holders of the AMI Shares;
 - (v) for notice requirements with respect to the presentation of the application to the Court for the Final Order;
 - (vi) that the Meeting may be adjourned or postponed from time to time by the management of AMI in accordance with the terms of this Agreement without the need for additional approval of the Court;
 - (vii) confirmation of the record date for the purposes of determining the Securityholders entitled to notice of and to vote at the Meeting;
 - (viii) that the record date for Securityholders entitled to notice of and to vote at the Meeting will not, unless agreed to in writing by JMAC and AMI, change in respect of any adjournment(s) of the Meeting;
 - (ix) that each Securityholder and any other affected person shall have the right to appear before the Court at the hearing of the Court to approve the application for the Final Order so long as they enter a response within a reasonable time; and
 - (x) for such matters as the Parties may reasonably require, subject to obtaining the prior consent of the other Party, such consent not to be unreasonably withheld, conditioned or delayed.
- (b) Subject to obtaining the approvals contemplated by the Interim Order, and as may be directed by the Court in the Interim Order, AMI shall take all steps necessary or desirable to submit the Arrangement to the Court and to apply for the Final Order.

2.3 The Meeting

Subject to receipt of the Interim Order and the terms of this Agreement:

- (a) AMI agrees to convene and conduct the Meeting in accordance with the Interim Order, AMI's constating documents and applicable Laws on or before November 30, 2023.
- (b) AMI, promptly after obtaining the Interim Order, shall cause the Circular and such other documents to be filed and sent to each Securityholder and other person as required by the Interim Order and Law, in each case so as to permit the Meeting to be held by the date specified in Section 2.3(a) and in accordance with this Section 2.3.
- (c) AMI will advise JMAC as JMAC may reasonably request, and at least on a daily basis on each of the last ten business days prior to the date of the Meeting, as to the tally of the proxies received by AMI in respect of the Arrangement Resolution.
- (d) Except to comply with Section 7.3(d), AMI will not adjourn, postpone or cancel the Meeting without the prior written consent of JMAC and the obligations of AMI under this Section 2.3(d) will not be affected by the commencement, public proposal, public

disclosure or communications to AMI or another person of any Acquisition Proposal relating to AMI.

- (e) AMI will promptly advise JMAC of any written notice of dissent or purported exercise by any Securityholder of Dissent Rights received by AMI in relation to the Arrangement Resolution and any withdrawal of Dissent Rights received by AMI and, subject to applicable Law, any written communications sent by or on behalf of AMI to any Securityholder exercising or purporting to exercise Dissent Rights in relation to the Arrangement Resolution.
- (f) AMI will not waive any failure by any holder of AMI Shares to timely deliver a notice of exercise of Dissent Rights, make any payment or settlement offer, or agree to any payment or settlement prior to the Effective Time with respect to Dissent Rights without the prior written consent of JMAC.
- (g) AMI will promptly advise JMAC of receipt of any communication (written or oral) from any Securityholder or holder of any AMI securities in opposition to the Arrangement.
- (h) Promptly upon the request of JMAC, AMI will use its reasonable efforts to prepare or cause to be prepared and provide to JMAC a list of Shareholders of all classes, as well as a security position listing from each depositor of its securities, including CDS Clearing and Depository Services Inc., and will obtain and will deliver to JMAC thereafter on demand supplemental lists setting out any changes thereto, all such deliveries to be in printed form and, if available, in computer-readable format.

2.4 Circular

- (a) AMI shall prepare the Circular in compliance with applicable Securities Laws and file the Circular as soon as practicable following the date of execution of this Agreement, in all jurisdictions where the same is required to be filed and mail the same as required by the Interim Order and in accordance with all applicable Laws, in all jurisdictions where the same is required, complying in all material respects with all applicable Laws on the date of mailing thereof.
- (b) AMI shall ensure that the Circular complies in all material respects with all applicable Laws, and, without limiting the generality of the foregoing, that the Circular will not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made (other than in each case with respect to any information relating to JMAC and its affiliates) and shall provide Securityholders with information in sufficient detail to permit them to form a reasoned judgment concerning the matters to be placed before them at the Meeting. Subject to Section 7.2, the Circular will include the unanimous (excluding directors that have abstained from voting in accordance with section 120 of the ABCA) recommendation of the AMI Board that the Securityholders vote in favour of the Arrangement Resolution, a statement that each director of AMI intends to vote all of such director's AMI Shares (including any AMI Shares issued upon the exercise of any AMI Options or AMI DSUs, if applicable) in favour of the Arrangement Resolution, subject to the other terms of this Agreement and the Voting Agreements.

- (c) JMAC shall furnish to AMI all such information regarding JMAC and its affiliates, as may be reasonably required by AMI (including, as required by MI 61-101 and section 14.2 of Form 51-102F5) in the preparation of the Circular and other documents related thereto. JMAC shall ensure that no such information will include any untrue statement of a material fact or omit to state a material fact required to be stated in the Circular in order to make any information so furnished or any information concerning JMAC not misleading in light of the circumstances in which it is disclosed and shall constitute full, true and plain disclosure of such information concerning JMAC.
- (d) JMAC and its legal counsel shall be given a reasonable opportunity to review and comment on the Circular, prior to the Circular being printed and mailed to the Securityholders and filed with the Securities Authorities, and reasonable consideration shall be given to any comments made by JMAC and its legal counsel, provided that all information relating solely to JMAC included in the Circular shall be in form and substance satisfactory to JMAC, acting reasonably. AMI shall provide JMAC with a final copy of the Circular prior to mailing to the Securityholders.
- (e) AMI and JMAC shall each promptly notify the other if at any time before the Effective Date it becomes aware (in the case of AMI only with respect to AMI and in the case of JMAC only with respect to JMAC) that the Circular contains an untrue statement of a material fact or omits to state a material fact required to be stated therein or necessary to make the statements contained therein not misleading in light of the circumstances in which they are made, or that otherwise requires an amendment or supplement to the Circular, and the Parties shall cooperate in the preparation of any amendment or supplement to the Circular, as required or appropriate, and AMI shall promptly mail or otherwise publicly disseminate any amendment or supplement to the Circular to the Securityholders and, if required by the Court or applicable Laws, file the same with the Securities Authorities and as otherwise required.
- (f) AMI shall keep JMAC informed of any requests or comments made by Securities Authorities in connection with the Circular.

2.5 Solicitation of Proxies

AMI shall use best efforts to solicit proxies to be voted at the Meeting in favor of matters to be considered at the Meeting, including the Arrangement Resolution, and, if requested by JMAC, shall hire a proxy solicitation agent to solicit proxies in this regard; provided that if a proxy solicitation agent is used, the Parties agree that they shall share the expense of such proxy solicitation agent equally.

2.6 Final Order

If: (a) the Interim Order is obtained; and (b) the Arrangement Resolution is passed at the Meeting by the Securityholders as provided for in the Interim Order and as required by applicable Law; subject to the terms of this Agreement, AMI shall as soon as reasonably practicable thereafter and in any event within three business days thereafter, take all steps necessary or desirable to submit the Arrangement to the Court and diligently pursue an application for the Final Order pursuant to section 193 of the ABCA.

2.7 Court Proceedings

Subject to the terms of this Agreement, JMAC will cooperate with, assist with and consent to AMI seeking the Interim Order and the Final Order, including by providing AMI on a timely basis any information

required to be supplied by JMAC in connection therewith. AMI shall diligently pursue, and JMAC shall cooperate with AMI in diligently pursuing, the Interim Order and the Final Order and each of them shall oppose any proposal from any third party that the Final Order contain any provision inconsistent with this Agreement. AMI will provide JMAC's legal counsel with a reasonable opportunity to review and comment upon drafts of all material to be filed with the Court in connection with the Arrangement and will give reasonable consideration to all such comments. AMI will also provide JMAC's legal counsel on a timely basis with copies of any notice of appearance or notice of intent to oppose and any evidence served on AMI or its legal counsel in respect of the application for the Interim Order or the Final Order or any appeal therefrom. Subject to applicable Law, AMI will not file any material with the Court in connection with the Arrangement or serve any such material, and will not agree to modify or amend materials so filed or served, except as contemplated hereby or with JMAC's prior written consent, such consent not to be unreasonably withheld, conditioned or delayed; provided that nothing herein shall require JMAC to agree or consent to any change in the consideration or other modification or amendment to such filed or served materials that expands or increases JMAC's obligations set forth in this Agreement.

2.8 Payment of Consideration

Provided that all conditions precedent in ARTICLE 6 have been satisfied or waived (other than those conditions that, by their nature, are capable of satisfaction only at the Effective Time and the condition set forth in Section 6.3(c)), JMAC shall provide the Depositary with sufficient funds in escrow (the terms and conditions of such escrow to be satisfactory to AMI and JMAC, each acting reasonably):

- (a) to pay the aggregate amount of Consideration payable for all issued and outstanding AMI Shares pursuant to the Arrangement in accordance with the Plan of Arrangement; and
- (b) on behalf of AMI, to pay the aggregate amount required to be paid in respect of the AMI Options and AMI DSUs to be cancelled pursuant to the Arrangement in accordance with the Plan of Arrangement.

2.9 Preparation of Filings

JMAC and AMI shall cooperate in the preparation of any application for any regulatory approvals and any other orders, registrations, consents, filings, rulings, exemptions, no-action letters and approvals and the preparation of any documents reasonably deemed by either of the Parties to be necessary to discharge its respective obligations or otherwise advisable under applicable Laws in connection with this Agreement or the Plan of Arrangement.

2.10 Closing

Not later than the third business day after the satisfaction or, where not prohibited, the waiver of the conditions (excluding conditions that, by their terms, cannot be satisfied until the Effective Date, but subject to the satisfaction or, where not prohibited, the waiver of those conditions as of the Effective Date) set forth in ARTICLE 6, unless another time or date is agreed to in writing by the Parties, the Effective Date shall occur and AMI shall file with the Registrar any records, information or other documents required to be filed with the Registrar by AMI, in connection with the Arrangement, if any. From and after the Effective Time, the Plan of Arrangement shall be effective under applicable Law, including the ABCA. The closing of the Arrangement will take place at the offices of Fasken Martineau DuMoulin LLP, 350 7 Ave SW Suite 3400, Calgary, AB T2P 3N9 at 6:00 a.m. (Calgary time) on the Effective Date, or at such other time and place as may be agreed to in writing by the Parties.

2.11 Announcement and Shareholder Communications

- (a) AMI shall issue a press release with respect to this Agreement and the Arrangement as soon as practicable following the execution of this Agreement, the text of such announcement to be in form and substance approved by AMI and JMAC in advance, acting reasonably and without delay. The Parties consent to this Agreement and forms of the Voting Agreements being filed on SEDAR, subject to any redactions that are agreed to in writing, between the Parties acting reasonably and permitted under Securities Laws.
- (b) AMI and JMAC agree to cooperate and participate in: (i) the preparation of presentations to Shareholders or the analyst community regarding the Arrangement; (ii) issuing any press releases or otherwise making public statements or public disclosures with respect to this Agreement or the Arrangement; and (iii) making any filing with any Governmental Entity or with any stock exchange, with respect to this Agreement or the Arrangement or the transactions contemplated hereby and thereby. Each of AMI and JMAC shall use commercially reasonable efforts to enable the other Party and its Representatives to review and comment on all such press releases, presentations, public statements and filings prior to the release or filing, respectively, thereof and reasonable consideration shall be given to any comments made by the other Party and their Representatives.
- (c) Neither AMI nor JMAC shall: (i) issue any press release or otherwise make public announcements with respect to this Agreement or the Plan of Arrangement without the consent of the other Party (which consent shall not be unreasonably withheld, delayed or conditioned); or (ii) make any filing with any Governmental Entity with respect thereto without prior consultation with the other Party, in each case, except as set out in this Agreement.
- (d) The obligations of the Parties set out in Sections 2.11(b) and 2.11(c) shall be subject to: (i) each Party's overriding obligation to make any disclosure or filing required under Law or stock exchange rules; and (ii) the Party making any disclosure using commercially reasonable efforts to give prior written notice to the other Party, and if such prior notice is not possible, to give such notice immediately following the making of such disclosure or filing.
- (e) Nothing in this Section 2.11 shall prevent either Party from making internal announcements to employees and consultants, having discussions with shareholders and financial analysts and other stakeholders, or from including disclosures in subsequent filings required under Securities Laws so long as such statements and announcements are consistent in all material respects with the most recent press releases, public disclosures or public statements made by the relevant Party, unless such Party has made a Change in Recommendation that is not in breach of this Agreement.
- (f) The restrictions set forth in this Section 2.11 shall not apply to any release or public statement made or proposed to be made by a Party in connection with: (i) any dispute regarding this Agreement or the transactions contemplated hereby; or (ii) a Change in Recommendation by a Party that is not in breach of this Agreement, or any action taken pursuant thereto.

2.12 Withholding Taxes

JMAC, AMI and the Depositary, as applicable, shall be entitled to deduct and withhold from any consideration payable or otherwise deliverable to any person hereunder and from all dividends or other distributions otherwise payable to any former Shareholders, AMI Optionholders or AMI DSU Holders such amounts as JMAC, AMI or the Depositary may be required or permitted to deduct and withhold therefrom under any provision of applicable Laws in respect of Taxes. To the extent that such amounts are so deducted and withheld, such amounts shall be treated for all purposes under this Agreement as having been paid to the person to whom such amounts would otherwise have been paid, provided that such withheld amounts are actually remitted to the appropriate Tax authority.

2.13 Voting Agreements

AMI has, concurrently with the execution of this Agreement, delivered to JMAC the Voting Agreements with each of the Locked-up Securityholders, representing not less than 3% of the Securityholders.

ARTICLE 3 REPRESENTATIONS AND WARRANTIES OF AMI

3.1 Representations and Warranties

AMI hereby represents and warrants to and in favour of JMAC as set out in this Section 3.1, except to the extent that such representations and warranties are qualified by the Disclosure Letter (with any disclosure therein applying against any representations and warranties to which it is reasonably apparent it should relate) and acknowledges that JMAC is relying upon such representations and warranties in connection with the entering into of this Agreement.

- (a) Board Approval. As of the date of this Agreement, the AMI Board, after consultation with its financial and legal advisors and upon the unanimous recommendation of the AMI Special Committee, has determined that the Arrangement is in the best interests of AMI and has resolved unanimously (excluding directors that have abstained from voting in accordance with section 120 of the ABCA) to recommend to the Securityholders that they vote in favour of the Arrangement Resolution. The AMI Board has approved the execution and performance of this Agreement and the transactions contemplated hereby.
- (b) Fairness Opinion.
 - (i) The AMI Board and AMI Special Committee have received the independent opinion of Evans & Evans to the effect that, as of the date of such opinion, subject to the assumptions, qualifications and limitations set out therein, the Consideration to be received by the Shareholders is fair, from a financial point of view, to the Shareholders (other than JMAC) (the "**Fairness Opinion**").
 - (ii) The AMI Board has received an oral summary of the Fairness Opinion from Evans & Evans.
 - (iii) AMI has been authorized by Evans & Evans to include the Fairness Opinion in the Circular.
- (c) Organization and Qualification. AMI and each of its subsidiaries is a corporation duly incorporated or an entity duly created and validly existing under the applicable Laws of

its jurisdiction of incorporation, continuance or creation and has all necessary corporate or other power and authority to own its property and assets as now owned and to carry on its business as it is now being conducted. AMI and each of its subsidiaries: (i) has all Permits necessary to conduct its business as now conducted, as such business is disclosed in the Public Disclosure Record; and (ii) is duly registered or otherwise authorized and qualified to do business and each is in good standing in each jurisdiction in which the character of its properties, owned, leased, licensed or otherwise held, or the nature of its activities makes such qualification necessary, except where the failure to be so registered or in good standing would not reasonably be expected to have a Material Adverse Effect on AMI.

- (d) Authority Relative to this Agreement. AMI has the requisite authority and corporate power and capacity to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by AMI and the performance by AMI of its obligations under this Agreement have been duly authorized by the AMI Board and except for Securityholder Approval, no other corporate proceedings on its part are necessary to authorize this Agreement or the Arrangement. This Agreement has been duly executed and delivered by AMI and constitutes a legal, valid and binding obligation of AMI, enforceable against AMI in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting rights of creditors generally and that equitable remedies, including specific performance, are discretionary and may only be granted in the discretion of a court of competent jurisdiction.
- (e) Governmental Authorization. Other than a notification required under the *Investment Canada Act*, the execution, delivery and performance by AMI of its obligations under this Agreement and the consummation of the Arrangement and the other transactions contemplated hereby do not require any Authorization or other action by or in respect of, or filing with, or notification to, any Governmental Entity by AMI or by any of its subsidiaries other than: (i) the Interim Order and any approvals required by the Interim Order; (ii) the Final Order; and (iii) filings with TSX-V.
- (f) No Violation. None of the authorization, execution and delivery of this Agreement by AMI or the completion of the transactions contemplated by this Agreement or the Arrangement, or the performance of its obligations thereunder, or compliance by AMI with any of the provisions of this Agreement, will:
 - (i) violate, conflict with, or result (with or without notice or the passage of time) in a violation or breach of any provision of, or require, other than the Key Consents and Key Regulatory Approvals that relate to AMI or any of its subsidiaries, any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) or result in a right of termination or acceleration of indebtedness under, or result in the creation of any Lien upon, any of the properties or assets of AMI or any of its subsidiaries, or cause any indebtedness to come due before its stated maturity or cause any credit commitment to cease to be available or cause any payment or other obligation to be imposed on AMI or any of its subsidiaries, under any of the terms, conditions or provisions of:

- (1) their respective articles, charters or by-laws or other comparable organizational documents; or
- (2) any Permit or Material Contract to which AMI or any of its subsidiaries is a party or to which any of them, or any of their respective properties or assets, may be subject or by which AMI or any of its subsidiaries is bound;
- (ii) result (with or without notice or the passage of time) in a violation or breach of or constitute a default under any provisions of any Laws applicable to AMI or any of its subsidiaries or any of their respective properties or assets;
- (iii) cause the suspension or revocation of any Permit currently in effect relating to AMI or any of its subsidiaries;
- (iv) give rise to any rights of first refusal or trigger any change in control provisions, rights of first offer or first refusal or any similar provisions or any restrictions or limitation under any such note, bond, mortgage, indenture, contract, license, franchise or Permit, except as set forth in Schedule 3.1(f)(iv) of the Disclosure Letter; or
- (v) result in any material, individually or in the aggregate, payment (including severance, unemployment compensation, "golden parachute", bonus or otherwise) becoming due to any director, officer or employee of AMI or any subsidiary of AMI or increase any benefits otherwise payable under any pension or Benefit Plan of AMI or any subsidiary of AMI or result in the acceleration of the time of payment or vesting of any such benefits, except as set forth in Schedule 3.1(f)(v) of the Disclosure Letter.

The Key Consents are the only consents and approvals required from any party under any Contracts of AMI or any of its subsidiaries in order for AMI and its subsidiaries to proceed with the execution and delivery of this Agreement and the completion of the transactions contemplated by this Agreement and the Arrangement pursuant to the Plan of Arrangement.

(g) Capitalization.

- (i) The authorized share capital of AMI consists of an unlimited number of AMI Shares and an unlimited number of preferred shares.
- (ii) As of the close of business on September 20, 2023:
 - (1) 78,582,686 AMI Shares are issued and outstanding;
 - (2) an aggregate of up to 2,855,400 AMI Shares are issuable upon the exercise of AMI Options;
 - (3) no preferred shares are issued and outstanding;
 - (4) 520,000 AMI DSUs are outstanding under the AMI Deferred Share Unit Plan; and

- (5) no AMI RSUs are outstanding under the AMI Restricted Share Unit Plan.
- (iii) Other than the AMI Options, there are no other options, warrants, conversion privileges or other rights, shareholder rights plans, agreements, arrangements or commitments (pre-emptive, contingent or otherwise) of any character whatsoever requiring or which may require the issuance, sale or transfer by AMI or any of its subsidiaries of any securities of AMI or any of its subsidiaries (including AMI Shares), or any securities or obligations convertible into, or exchangeable or exercisable for, or otherwise evidencing a right or obligation to acquire, any securities of AMI (including AMI Shares) or any subsidiary of AMI.
- (iv) All outstanding AMI Shares have been duly authorized and validly issued, are fully paid and non-assessable, and all AMI Shares issuable upon the exercise of AMI Options in accordance with their respective terms have been duly authorized and, upon issuance, will be validly issued as fully paid and non-assessable, and are not and will not be subject to, or issued in violation of, any pre-emptive rights.
- (v) All securities of AMI or any of its subsidiaries (including the AMI Shares and the AMI Options) have been issued in compliance with all applicable Laws and Securities Laws.
- (vi) There are no securities of AMI other than the AMI Shares or of any of its subsidiaries outstanding which have the right to vote generally (or are convertible into or exchangeable for securities having the right to vote generally) with the Shareholders on any matter.
- (vii) There are no outstanding contractual or other obligations of AMI or any subsidiary to repurchase, redeem or otherwise acquire any of AMI's securities or any securities of AMI's subsidiaries or with respect to the voting or disposition of any outstanding securities of any of its subsidiaries.
- (viii) There are no outstanding bonds, debentures or other evidences of indebtedness of AMI or any of its subsidiaries having the right to vote with the holders of the outstanding AMI Shares on any matters.
- (h) Reporting Status and Securities Laws Matters. AMI is a "reporting issuer" in British Columbia, Alberta and Ontario and is not on the list of reporting issuers in default under applicable Securities Laws in British Columbia, Alberta or Ontario, nor to the knowledge of AMI, is AMI subject to any continuous or periodic or other disclosure requirements under the securities laws of any jurisdiction other than British Columbia, Alberta and Ontario. AMI Shares are listed on the TSX-V and no delisting, suspension of trading in or cease trading order with respect to any securities of AMI and, to the knowledge of AMI, no inquiry or investigation (formal or informal) of any Securities Authority or the TSX-V is in effect or ongoing or, to the knowledge of AMI, expected to be implemented or undertaken with respect to the foregoing. Other than the TSX-V and the OTC, AMI's securities, including debt securities, are not traded in Canada or another country on a marketplace or any other facility for bringing together buyers and sellers of securities where trading data is publicly reported.
- (i) Ownership of Subsidiaries. Schedule 3.1(i) of the Disclosure Letter includes a complete and accurate list of all subsidiaries owned, directly or indirectly, by AMI. All of the issued

and outstanding shares and other ownership interests in such subsidiaries of AMI and AMI Silica are duly authorized, validly issued, fully paid and, where the concept exists, non-assessable, and all such shares and other ownership interests held directly or indirectly by AMI are legally and beneficially owned free and clear of all Liens, other than as set forth in Schedule 3.1(i) of the Disclosure Letter, and there are no outstanding options, warrants, rights, entitlements, understandings or commitments (contingent or otherwise) regarding the right to purchase or acquire, or securities convertible into or exchangeable for, any such shares of capital stock or other ownership interests in or material assets or properties of any of the subsidiaries of AMI and AMI Silica. There are no contracts, commitments, agreements, understandings, arrangements or restrictions which require any subsidiaries of AMI and AMI Silica to issue, sell or deliver any shares in its share capital or other ownership interests, or any securities or obligations convertible into or exchangeable for, any shares of its share capital or other ownership interests. There are no outstanding options, rights, entitlements, understandings or commitments (contingent or otherwise) providing to any third party the right to acquire any shares or other ownership interests in any subsidiaries of AMI and AMI Silica. Other than the Permitted Liens and as set forth in Schedule 3.1(i) of the Disclosure Letter, all ownership interests of AMI and its subsidiaries and AMI Silica are owned free and clear of all Liens of any kind or nature whatsoever held by third parties. Schedule 3.1(i) of the Disclosure Letter includes a complete and accurate list of all securities owned by AMI in another corporate person, other than its subsidiaries.

- (j) Public Filings. AMI has filed all documents required to be filed by it in accordance with applicable Securities Laws with the Securities Authorities or the TSX-V. All such documents and information comprising the Public Disclosure Record, as of their respective dates (and the dates of any amendments thereto): (i) did not contain any untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; and (ii) complied in all material respects with the requirements of applicable Securities Laws, and any amendments to the Public Disclosure Record required to be made have been filed on a timely basis with the Securities Authorities or the TSX-V. AMI has not filed any confidential material change report with any Securities Authorities that at the date of this Agreement remains confidential. There has been no change in a material fact or a material change (as such terms are defined under the Securities Act) in any of the information contained in the Public Disclosure Record, except for changes in material facts or material changes that are reflected in a subsequently filed document included in the Public Disclosure Record.
- (k) AMI Financial Statements. AMI's audited consolidated financial statements as at and for the fiscal years ended December 31, 2022 and 2021 (including the notes thereto) and AMI's unaudited financial statements for the interim period ended June 30, 2023 including, in each case, the related management's discussion and analysis (collectively, the "**Financial Statements**") were prepared in accordance with IFRS consistently applied (except as otherwise indicated in such financial statements and the notes thereto or, in the case of audited statements, in the related report of AMI's independent auditors) and fairly present in all material respects the consolidated financial position, results of operations and cash flows of AMI and its subsidiaries as of the dates thereof and for the periods indicated therein (subject, in the case of any unaudited interim financial statements, to normal period end adjustments) and reflect reserves required by IFRS in respect of all material contingent liabilities, if any, of AMI and its subsidiaries on a

consolidated basis. There has been no material change in AMI's accounting policies, except as described in the notes to the Financial Statements, since December 31, 2022.

- (l) Internal Controls and Financial Reporting. AMI has designed such disclosure controls and procedures, or caused them to be designed under the supervision of its Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance that information required to be disclosed by AMI in its annual filings, interim filings or other reports filed or submitted under securities legislation is accumulated and communicated to AMI's Chief Executive Officer and Chief Financial Officer to allow timely decisions regarding required disclosure. AMI maintains systems of "internal control over financial reporting" that have been designed by, or under the supervision of, its Chief Executive Officer and Chief Financial Officer, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with IFRS. Since January 1, 2023, AMI's auditors and the audit committee of the AMI Board have not been advised of: (i) any deficiency, or a combination of deficiencies, in the design or operation of internal controls over financial reporting, or (ii) any fraud, whether or not material, that involves management or other employees who have a significant role in AMI's internal control over financial reporting.
- (m) Long Term and Derivative Transactions. Neither AMI nor any of its subsidiaries have any obligations or liabilities, direct or indirect, vested or contingent in respect of any rate swap transactions, basis swaps, forward rate transactions, commodity swaps, commodity options, equity or equity index swaps, equity or equity index options, bond options, interest rate options, foreign exchange transactions, cap transactions, floor transactions, collar transactions, currency swap transactions, cross currency rate swap transactions or currency options or production sales transactions having terms greater than 90 days or any other similar transactions (including any option with respect to any of such transactions) or any combination of such transactions.
- (n) Auditors. AMI's auditors are independent public accountants as required by applicable Laws and there is not now, and since January 1, 2020, there has not been, any reportable event (as defined in NI 51-102).
- (o) Money Laundering. The operations of AMI and of each of its subsidiaries are and have been conducted at all times in compliance with applicable financial recordkeeping and reporting requirements and anti-money laundering Laws and the rules and regulations thereunder and any related or similar Laws or guidelines, issued, administered or enforced by any Governmental Entity relating to money laundering (collectively, the "**Money Laundering Laws**") and no Legal Proceeding involving AMI or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of AMI, threatened.
- (p) Corrupt Practices Legislation. Neither AMI, its subsidiaries and affiliates, nor any of their respective officers, directors or employees acting on behalf of AMI or any of its subsidiaries or affiliates has taken, committed to take or been alleged to have taken any action which would cause AMI or any of its subsidiaries or affiliates to be in violation of the *Foreign Corrupt Practices Act* (United States) (and the regulations promulgated thereunder), the *Corruption of Foreign Public Officials Act* (Canada) (and the regulations promulgated thereunder) or any applicable Law of similar effect of any other jurisdiction, and to the knowledge of AMI no such action has been taken by any of its agents,

representatives or other persons acting on behalf of AMI or any of its subsidiaries or affiliates.

- (q) Books and Records. The financial books, records and accounts of AMI and its subsidiaries, have been maintained, in all material respects, in accordance with applicable Law, in accordance with IFRS and, in each case, are stated in reasonable detail and accurately and fairly reflect the material transactions and dispositions of the assets of AMI and its subsidiaries and accurately and fairly reflect the basis for the Financial Statements.
- (r) Minute Books. The minute books of AMI and each of its subsidiaries are true and correct in all material respects; they contain the duly signed minutes of all meetings of the boards of directors and shareholders and all resolutions passed by the boards of directors and the shareholders thereof except for: (i) minutes relating to the proposed transaction between JMAC and AMI; provided that minutes for recent meetings of the AMI Board and committees thereof which have not been finalized as of the date of this Agreement will be finalized and included in the minute books in accordance with AMI's past practice; and (ii) where the absence of such minutes or signatures would not have a Material Adverse Effect.
- (s) No Undisclosed Liabilities. AMI and its subsidiaries on a consolidated basis have no outstanding indebtedness or liabilities and are not party to or bound by any suretyship, guarantee, indemnification or assumption agreement, or endorsement of, or any other similar commitment with respect to the obligations, liabilities or indebtedness of any person, that are material to AMI, other than those specifically identified in the Financial Statements.
- (t) No Material Change. Except as disclosed in the Public Disclosure Record, since December 31, 2022: (i) there has been no material change in respect of AMI and its subsidiaries, taken as a whole, and the debt, business and material property of AMI and its subsidiaries, on a consolidated basis, conform in all material respects to the description thereof contained in the Public Disclosure Record; (ii) there has been no dividend or distribution of any kind declared, paid or made by AMI on any AMI Shares; (iii) there has not been a material change in the assets, liabilities, obligations (absolute, accrued, contingent or otherwise), business, condition (financial or otherwise) or results of operations of AMI and its subsidiaries taken as a whole; and (iv) AMI and its subsidiaries have carried on business in the Ordinary Course.
- (u) Litigation. Other than as set forth in Schedule 3.1(u) of the Disclosure Letter, there are no Legal Proceedings pending or, to the knowledge of AMI, threatened affecting AMI or any of its subsidiaries or affecting any of their respective property or assets at law or in equity before or by any Governmental Entity, including matters arising under Environmental Laws. Neither AMI nor any of its subsidiaries nor their respective assets or properties is subject to any outstanding judgment, order, writ, injunction or decree.
- (v) Taxes. Except as provided for in the Financial Statements or as set forth in Schedule 3.1(v) of the Disclosure Letter:
 - (i) AMI and each of its subsidiaries has duly and timely filed all Tax Returns required to be filed by it prior to the date of this Agreement, other than those which have been administratively waived, and all such Tax Returns are complete and correct in all material respects.

- (ii) AMI and each of its subsidiaries has paid on a timely basis all Taxes which are due and payable, all assessments and reassessments, other than those which are being or have been contested in good faith and in respect of which reserves have been provided in the most recently published Financial Statements.
- (iii) Neither AMI nor any of its subsidiaries have entered into any transactions with non-resident persons with which it does not deal at arm's length, other than for fair market value consideration.
- (iv) No material deficiencies, litigation, proposed adjustments or matters in controversy exist or have been asserted with respect to Taxes of AMI or any of its subsidiaries, and neither AMI nor any of its subsidiaries is a party to any Legal Proceeding for assessment or collection of Taxes and no such event has been asserted or, to the knowledge of AMI, threatened against AMI or any of its subsidiaries or any of their respective assets, that would reasonably be expected to have a Material Adverse Effect.
- (v) No claim has been made by any Governmental Entity in a jurisdiction where AMI and any of its subsidiaries does not file Tax Returns that AMI or any of its subsidiaries is or may be subject to Tax by that jurisdiction that would reasonably be expected to have a Material Adverse Effect.
- (vi) There are no Liens for unpaid Taxes (other than in respect of Taxes not yet due and payable or that may thereafter be paid without penalty or that are being contested in good faith and by appropriate proceedings and for which adequate reserves have been provided in the most recently published Financial Statements) upon any of the assets of AMI or any of its subsidiaries.
- (vii) AMI and each of its subsidiaries has withheld or collected all amounts required to be withheld or collected by it on account of Taxes and has remitted all such amounts to the appropriate Governmental Entity when required by Law to do so, except where the failure to do so would not, individually or in the aggregate, result in a Material Adverse Effect to AMI.
- (viii) There are no outstanding agreements extending or waiving the statutory period of limitations applicable to any claim for, or the period for the collection or assessment or reassessment of, Taxes due from AMI or any of its subsidiaries for any taxable period and no request for any such waiver or extension is currently pending.
- (ix) Neither AMI or any of its subsidiaries is a party to, or bound by, any tax indemnity (for greater certainty, including penalties and interest thereunder), Tax sharing, or Tax allocation agreement.
- (x) All the Tax Returns, audit reports and assessments in the Data Room Information were true, correct and complete copies of such Tax Returns, audit reports and assessments.
- (xi) No Tax authority has notified AMI or any of its subsidiaries of any assessment, reassessment or determination with respect to AMI or any of its subsidiaries of net capital losses, non-capital losses, foreign accrual property losses, or amounts with

respect to any losses for Tax purposes that are different from the amounts disclosed in the Tax Returns.

- (xii) None of sections 78, 80, 80.01, 80.02, 80.03, or 80.04 of the Tax Act have applied or will apply to AMI or any of its subsidiaries.
- (xiii) The AMI Shares are listed on a "designated stock exchange", as that term is defined in subsection 248(1) of the Tax Act.
- (xiv) AMI is a "Canadian corporation" for purposes of the Tax Act.

(w) Property.

- (i) The AMI Properties are accurately described in the Public Disclosure Record.
- (ii) The Disclosure Letter together with the Public Disclosure Record discloses all material real and immovable property legally or beneficially owned, licensed, or leased by AMI or its subsidiaries, or in respect of which AMI or its subsidiaries enjoy the benefit of rights of way, surface rights, easements and Permits for the use of real and immovable property, and there is no other material real and immovable property in respect of which AMI or its subsidiaries has any interest.
- (iii) The Concessions relating to the AMI Properties are the only mining concessions, claims, leases, licenses, Permits or other rights that are required to conduct the activities of AMI or its subsidiaries on the AMI Properties as currently conducted.
- (iv) Other than as set forth in Schedule 3.1(w)(iv) of the Disclosure Letter, AMI and/or its subsidiaries have valid, good and marketable title to all personal property of any kind or nature which AMI or any of its subsidiaries purports to own, free and clear of all Liens (other than Permitted Liens), except as would not, individually or in the aggregate, have a Material Adverse Effect. AMI and its subsidiaries, as lessees, have the right under valid and subsisting leases to use, possess and control all personal property leased by and material to AMI or any of its subsidiaries as used, possessed and controlled by AMI or its subsidiaries, as applicable, except as would not, individually or in the aggregate, have a Material Adverse Effect.
- (v) Other than as set forth in Schedule 3.1(w)(v) of the Disclosure Letter, each Concession relating to the AMI Properties is in full force and effect and in good standing and the interests of AMI or its subsidiaries in each Concession, as applicable and only to the extent of such interest, relating to the AMI Properties is held free and clear of all Liens. The Public Disclosure Record together with the Data Room Information accurately describes, in all material respects: (1) the interests of AMI and its subsidiaries in each of the material Concessions relating to the AMI Properties; and (2) the agreement or document pursuant to which AMI or its subsidiaries holds its interest in each material Concession relating to the AMI Properties. AMI or its subsidiaries are lawfully authorized to hold their interest in the material Concessions relating to the AMI Properties.
- (vi) Except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect to AMI:

- (1) each Concession relating to the AMI Properties comprises a valid and subsisting mineral claim or concession and AMI or its subsidiaries enjoy legally enforceable access to the AMI Properties as may be required to conduct the activities of AMI or its subsidiaries as currently conducted;
 - (2) any and all assessment work required to be performed and filed in respect of the AMI Properties or under the Concessions relating to the AMI Properties has been performed and filed;
 - (3) any and all Taxes and other payments required to be paid in respect of the AMI Properties and the Concessions relating to the AMI Properties and all rental or royalty payments required to be paid in respect of the Concessions relating to the AMI Properties have been paid;
 - (4) any and all filings required to be filed in respect of the AMI Properties and the Concessions relating to the AMI Properties have been filed;
 - (5) AMI or its subsidiaries have the exclusive right to deal with the AMI Properties and the Concessions relating to the AMI Properties;
 - (6) no other person has any interest in the AMI Properties or the Concessions relating to the AMI Properties or any right to acquire any such interest;
 - (7) there are no back-in rights, earn-in rights, rights of first refusal, royalty rights or similar provisions which would materially affect AMI's or any of its subsidiaries' interests in the AMI Properties or the Concessions relating to the AMI Properties; and
 - (8) neither AMI nor any of its subsidiaries have received any notice, whether written or oral from any Governmental Entity or any person with jurisdiction or applicable authority of any revocation or intention to revoke AMI's or any of its subsidiaries' interests in the AMI Properties or the Concessions relating to the AMI Properties.
- (vii) Except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect to AMI, all work and activities carried out on the AMI Properties and the Concessions relating to the AMI Properties by AMI or its subsidiaries or, to the knowledge of AMI, by any other person appointed by AMI or any of its subsidiaries has been carried out in compliance with all applicable Laws, and neither AMI nor any of its subsidiaries, nor, to the knowledge of AMI, any other person, has received any notice of any material breach of any such applicable Laws.
- (x) Operational Matters. All rentals, royalties, overriding royalty interests, production payments, net profits, interest burdens, payments and obligations due and payable, or performable, as the case may be, with respect to, or on account of, any direct or indirect assets of AMI or its subsidiaries have been: (i) duly paid; (ii) duly performed; or (iii) provided for in the Financial Statements.
- (y) No Expropriation. None of AMI's or any of its subsidiaries assets have been taken or expropriated by any Governmental Entity nor, as of the date of this Agreement, has any notice or Legal Proceeding in respect thereof been given or commenced or threatened

nor, to the knowledge of AMI, is there any intent or proposal to give any such notice or to commence any such proceeding.

- (z) Title and Rights re: Other Assets. Other than as set forth in Schedule 3.1(z) of the Disclosure Letter, and except as would not reasonably be expected, individually or in the aggregate, to result in a Material Adverse Effect on AMI, AMI and its subsidiaries, as applicable, have good and valid title to all properties and assets reflected in the Financial Statements, free and clear of all Liens, or valid leasehold or licence interests in all properties and assets not reflected in such financial statements but used by AMI or any of its subsidiaries.
- (aa) Contracts. Schedule 3.1(aa) of the Disclosure Letter includes a complete and accurate list of all Material Contracts to which AMI or any of its subsidiaries is a party and that are currently in force (the "**AMI Material Contracts**"). All AMI Material Contracts are in full force and effect, and AMI or its subsidiaries are entitled to all rights and benefits thereunder in accordance with the terms thereof. AMI has made available to JMAC for inspection true and complete copies of all of the AMI Material Contracts. All of the AMI Material Contracts are valid and binding obligations of AMI or a subsidiary of AMI, as the case may be, enforceable in accordance with their respective terms, except as may be limited by bankruptcy, insolvency and other laws affecting the enforcement of creditors' rights generally and subject to the qualification that equitable remedies may only be granted in the discretion of a court of competent jurisdiction. AMI and its subsidiaries have complied in all material respects with all terms of the AMI Material Contracts, have paid all amounts due thereunder, as and when due, have not waived any rights thereunder and no material default or breach exists in respect thereof on the part of AMI or any of its subsidiaries or, to the knowledge of AMI, on the part of any other party thereto, and no event has occurred which, after the giving of notice or the lapse of time or both, would constitute such a default or breach or trigger a right of termination of any of the AMI Material Contracts. As at the date of this Agreement, neither AMI nor any of its subsidiaries has received written notice that any party to an AMI Material Contract intends to cancel, terminate or otherwise modify or not renew such AMI Material Contract, and to the knowledge of AMI, no such action has been threatened. Neither AMI nor any of its subsidiaries is a party to any Material Contract that contains any non-competition obligation or otherwise restricts in any material way the business of AMI or any of its subsidiaries.
- (bb) Permits. Other than as set forth in Schedule 3.1(bb) of the Disclosure Letter, AMI and each of its subsidiaries has obtained and is in compliance in all material respects with all Permits required by applicable Laws necessary to conduct its current business as now being conducted (the "**AMI Material Permits**"). All of the AMI Material Permits have been disclosed to JMAC in the Data Room Information. To the knowledge of AMI, there are no facts, events or circumstances that would reasonably be expected to result in a failure to obtain or be in compliance with such AMI Material Permits as are necessary to conduct its business as it is currently being conducted as set forth in the Public Disclosure Record.
- (cc) Intellectual Property.
 - (i) There is no Legal Proceeding pending or, to the knowledge of AMI, threatened by others challenging AMI's or any of its subsidiaries' rights in or to any Intellectual

Property which is used for the conduct of AMI's and its subsidiaries' business as currently carried on as set forth in the Public Disclosure Record.

- (ii) AMI and its subsidiaries exclusively own (beneficially, and of record where applicable) all right, title and interest in and to its Intellectual Property, free and clear of all Liens, other than the Permitted Liens, and have the valid and enforceable right to use, commercialize and transfer their Intellectual Property.
 - (iii) Neither this Agreement nor the transactions contemplated by this Agreement will result in JMAC or AMI or any of its subsidiaries being obligated to pay any royalties or other amounts to any person in respect of any of AMI's Intellectual Property.
 - (iv) AMI's Intellectual Property as listed in Schedule 3.1(cc)(iv) of the Disclosure Letter and constitutes all of the Intellectual Property necessary for the conduct of the business as currently conducted and as proposed to be conducted as set forth in the Public Disclosure Record.
 - (v) AMI and its subsidiaries have not granted to any person or authorized any person to retain any rights in any of their Intellectual Property or to any royalties therefrom.
 - (vi) To the knowledge of AMI, no person has infringed or misappropriated or is infringing or misappropriating any of AMI's Intellectual Property.
 - (vii) To the knowledge of AMI, the conduct of the business of the AMI and its subsidiaries, including the development, license, marketing and sale of Software, has not infringed upon, misappropriated, diluted or otherwise violated, and is not infringing upon, misappropriating, diluting or otherwise violating, the Intellectual Property rights of any third party, and AMI and its subsidiaries have not received any written notice of any claim or assertion that the business of AMI or its subsidiaries or the Software infringes, misappropriates or otherwise violates the Intellectual Property of any third party and no such claim or assertion has otherwise been made.
 - (viii) None of the Software source code of AMI or its subsidiaries has been published, disclosed or put into escrow.
- (dd) Environmental Matters. Each of AMI and its subsidiaries and their respective businesses and operations:
- (i) is in compliance with all Environmental Laws and all terms and conditions of all Environmental Permits, except as set forth in Schedule 3.1(dd)(i) of the Disclosure Letter;
 - (ii) has not received any order, request or notice from any person alleging a violation of any Environmental Law;
 - (iii) (1) is not a party to any Legal Proceeding, nor is any Legal Proceeding threatened against it or its property or assets, which in either case: (A) asserts or alleges that it violated any Environmental Laws; (B) asserts or alleges that it is required to clean up, remove or take remedial or other response action due to the Release of any Hazardous Substances; or (C) asserts or alleges that it is required to pay all or a

portion of the cost of any past, present or future cleanup, removal or remedial or other response action which arises out of or is related to the Release of any Hazardous Substances; and (2) is not subject to any judgment, decree, order or citation related to or arising out of applicable Environmental Law and has not been named or listed as a potentially responsible party by any Governmental Entity in a matter arising under any Environmental Laws; and

- (iv) is not involved in any remediation, reclamation or other environmental operations outside the Ordinary Course and does not know of any facts, circumstances or conditions, including any Release of Hazardous Substance, that would reasonably be expected to result in any Environmental Liabilities,

except in each case as disclosed in the Public Disclosure Record or where it would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect on AMI.

- (ee) Mineral Reserves and Resources. The estimated proven and probable mineral reserves and estimated indicated, measured and inferred mineral resources disclosed in the Public Disclosure Record have been prepared and disclosed in all material respects in accordance with all applicable Laws. The information provided by AMI to the Qualified Persons in connection with the preparation of such estimates was complete and accurate at the time such information was furnished. Except as a result of mineral production, there has been no material reduction in the aggregate amount of estimated mineral reserves or estimated mineral resources of AMI and its subsidiaries, taken as a whole, from the amounts disclosed in the Public Disclosure Record.

- (ff) Regulatory.

- (i) AMI and its subsidiaries have operated and are currently operating in material compliance with all applicable Laws, including all applicable published rules, regulations, guidelines and policies of any regulatory or governmental agency having jurisdiction over AMI or its subsidiaries or their respective activities (collectively, the "**Regulatory Authorities**"); and
- (ii) Other than as set forth in Schedule 3.1(ff)(ii) of the Disclosure Letter, AMI and its subsidiaries have operated and are currently operating their respective businesses in compliance with all licenses, Permits, Authorizations, approvals, registrations and consents of the Regulatory Authorities (the "**Regulatory Authorizations**") in all respects and have made all requisite declarations and filings with the Regulatory Authorities. AMI and its subsidiaries have not received any written notices or other correspondence from the Regulatory Authorities regarding any circumstances that have existed or currently exist which would lead to a loss, suspension, or modification of, or a refusal to issue, any Regulatory Authorization relating to its activities which would reasonably be expected to restrict, curtail, limit or adversely affect the ability of AMI or any of its subsidiaries to operate their respective businesses in a manner which would have a Material Adverse Effect on AMI.

- (gg) Employee Benefits.

- (i) AMI and each of its subsidiaries has complied with the terms of all Benefit Plans and with all applicable Laws and any collective bargaining agreements relating thereto.

- (ii) Schedule 3.1(gg)(ii) of the Disclosure Letter lists all Benefit Plans of AMI and all Benefit Plans of AMI's subsidiaries and AMI has furnished to JMAC true, correct, up-to-date and complete copies of such Benefit Plans as amended as of the date of this Agreement together with all related documentation, including trust agreements, insurance contracts or other funding arrangements, the most recent financial statements, any correspondence with a Governmental Entity, any filings, plan summaries, employee booklets and personnel manuals. The plan summaries, employee booklets and personnel manuals prepared for, and circulated to the employees and the former employees of AMI and its subsidiaries and their beneficiaries concerning such Benefit Plans, accurately describe the benefits provided under each such Benefit Plan referred to therein. For any such Benefit Plan that is not set out in writing, a written summary of its terms has been provided in the Data Room Information.
- (iii) No Benefit Plan is a "registered pension plan" as that term is defined in subsection 248(1) of the Tax Act or a "multi-employer pension plan" or a "multi-employer plan" as those terms (or equivalent terms) are used in applicable provincial pension standards legislation and AMI and its subsidiaries have never maintained, sponsored or contributed to any such "registered pension plan", "multi-employer pension plan", "multi-employer plan" on behalf of the employees or former employees of AMI and its subsidiaries.
- (iv) Each Benefit Plan is and has been established, registered (if required), qualified, invested and administered in compliance with the terms of such Benefit Plan (including the terms of any documents in respect of such Benefit Plan), all applicable Laws, and any collective bargaining agreement relating thereto and there exists no condition or set of circumstances in connection with which AMI or any of its subsidiaries or JMAC could incur, directly or indirectly, any liability or expense (other than for routine contributions or benefit payments) under the terms of the Benefit Plan or applicable Laws.
- (v) All obligations of AMI or any of its subsidiaries regarding the Benefit Plans have been satisfied and no Taxes are owing or exigible under any of the Benefit Plans by AMI or any of its subsidiaries. All employer and employee payments, contributions and premiums required to be remitted, paid to or in respect of each Benefit Plan have been paid or remitted in a timely fashion in accordance with its terms and all applicable Laws.
- (vi) Each Benefit Plan is insured or funded in compliance with the terms of such Benefit Plan, all applicable Laws and any collective bargaining agreement relating thereto, if applicable, and is in good standing with such Governmental Entities as may be applicable and, as of the date of this Agreement, no currently outstanding notice of under-funding, non-compliance, failure to be in good standing or otherwise has been received by AMI or any of its subsidiaries from any such Governmental Entities.
- (vii) To the knowledge of AMI: (1) no Benefit Plan is subject to any pending investigation, examination or other Legal Proceeding initiated by any Governmental Entity, or by any other party (other than routine claims for benefits); and (2) there exists no state of facts which after notice or lapse of time or both would reasonably be expected to give rise to any such investigation, examination or other Legal Proceeding or to

affect the registration or qualification of any Benefit Plan required to be registered or qualified.

- (viii) AMI and its subsidiaries have no formal plan and have made no promise or commitment, whether legally binding or not, to create any additional Benefit Plan or to improve or change the benefits provided under any Benefit Plan.
- (ix) There is no entity other than AMI and any of its subsidiaries participating in any Benefit Plan.
- (x) None of the Benefit Plans provide benefits beyond retirement or other termination of service to employees or former employees or to the beneficiaries or dependants of such employees, except as required by applicable Law.
- (xi) Neither the execution and delivery of this Agreement by AMI nor completion of the Arrangement pursuant to the Plan of Arrangement nor compliance by AMI with any of the provisions hereof shall result in any payment (including severance, unemployment compensation, bonuses or otherwise) becoming due to any director or employee of AMI or any of its subsidiaries or result in any increase or acceleration of contributions, liabilities or benefits or acceleration of vesting or an obligation to fund or secure benefits, in whole or in part, under any Benefit Plan.
- (xii) All data necessary to administer each Benefit Plan is in the possession of AMI or one of its subsidiaries or their respective agents and is in a form which is sufficient for the proper administration of the Benefit Plan in accordance with its terms and all applicable Laws and such data is complete and correct.

(hh) Labour and Employment.

- (i) No material employee of AMI or its subsidiaries is on long-term disability leave, extended absence, authorized unpaid leave of absence (including maternity or parental leave or unpaid sick leave) or worker's compensation leave. As of the date of this Agreement, none of the material employees of AMI or its subsidiaries has indicated an intention to resign their employment. All current assessments and any assessments for the future, of which AMI has knowledge, under applicable workers' compensation legislation in relation to the employees of AMI and its subsidiaries have been paid or accrued by AMI and its subsidiaries, as applicable, and AMI and its subsidiaries are not subject to any special or penalty assessment under such legislation which has not been paid.
- (ii) Schedule 3.1(hh)(ii) of the Disclosure Letter contains a complete and accurate list of all Contracts or arrangements for the employment or services of any employee, officer, director or consultant of AMI or any of its subsidiaries that is party to a change of control, severance, termination, "golden parachute" or similar agreement or provision.
- (iii) There are no outstanding or pending or to the knowledge of AMI, threatened material labour tribunal proceedings of any kind, including unfair labour practice proceedings or any proceedings which could result in certification of a trade union or employee association as bargaining agent for any employees of AMI or any of its subsidiaries. To the knowledge of AMI, there are no threatened or apparent

organizing activities by a trade union or employee association involving employees of AMI or any of its subsidiaries. AMI and its subsidiaries are not certified to enter into and have not entered into a voluntary recognition arrangement with a trade union or employee association and are not party to a collective agreement (whether or not the expiry date of such collective agreement has passed).

- (iv) The Financial Statements include adequate accruals or reserves determined in accordance with IFRS for all accrued and unpaid salaries, wages, bonuses or other remuneration, vacation pay, Canada Pension Plan and Employment Insurance and other employee-related accruals including for any severance or termination payments in respect of employees whose employment was terminated before the date of such statements.
- (ii) Compliance with Laws. AMI and its subsidiaries have complied with and are not in violation of any applicable Laws, other than non-compliance or violations which would not, individually or in the aggregate, have a Material Adverse Effect on AMI.
- (jj) Absence of Cease Trade Orders. No order ceasing or suspending trading in the AMI Shares (or any of them) or any other securities of AMI is outstanding and no proceedings for this purpose have been instituted or to the knowledge of AMI, are pending, contemplated or threatened.
- (kk) Related Party Transactions. Other than the Shareholder Loans, the JMAC Loan and the amendment to the operating agreement for AMI Silica LLC dated February 16, 2022, there are no Contracts or other transactions currently in place between AMI or any of its subsidiaries, on the one hand, and: (i) to the knowledge of AMI, any officer or director of AMI or any of its subsidiaries; (ii) to the knowledge of AMI, any holder of record or, to the knowledge of AMI, beneficial owner of 10% or more of the AMI Shares; and (iii) to the knowledge of AMI, any affiliate or associate of any such, officer, director, holder of record or beneficial owner, on the other hand.
- (ll) Shareholder and Similar Agreements. AMI and its subsidiaries are not party to any shareholder, pooling, voting trust or other similar agreement relating to the issued and outstanding shares or other equity or voting securities in the capital of AMI or its subsidiaries.
- (mm) Registration Rights. No Shareholder has any right to compel AMI to register or otherwise qualify the AMI Shares (or any of them) for public sale or distribution.
- (nn) Rights of Other Persons. Other than as set forth Schedule 3.1(nn) of the Disclosure Letter, no person has any right of first refusal or option to purchase or any other right of participation in any of the material properties or assets owned by AMI or any of its subsidiaries, or any part thereof.
- (oo) Restrictions on Business Activities. There is no arbitral award, judgment, injunction, constitutional ruling, order or decree binding upon AMI or any of its subsidiaries that has or could reasonably be expected to have the effect of prohibiting, restricting, or impairing any business practice of any of them, any acquisition or disposition of property by any of them, or the conduct of the business by any of them as currently conducted, which could reasonably be expected to have a Material Adverse Effect on AMI.

- (pp) Brokers. Schedule 3.1(pp) of the Disclosure Letter contains a complete and accurate list of any broker, investment banker, financial advisor or other person entitled to any broker's, finder's, financial advisor's or other similar fee or commission in connection with the transactions contemplated hereby based upon arrangements made by or on behalf of AMI or any of its subsidiaries, and the aggregate amount of such fees that may become payable in respect of all such arrangements is set out in Schedule 3.1(pp) of the Disclosure Letter.

- (qq) Insurance. As of the date of this Agreement, AMI and its subsidiaries have such policies of insurance as are listed in Schedule 3.1(qq) of the Disclosure Letter. All insurance maintained by AMI or any of its subsidiaries is in full force and effect and in good standing and neither AMI nor any of its subsidiaries is in default, whether as to payment of premium or otherwise, under the terms of any such insurance nor has AMI or any of its subsidiaries failed to give any notice or present any material claim under any such insurance in a due and timely fashion or received notice or otherwise become aware of any intent of an insurer to either claim any default on the part of AMI or any of its subsidiaries or not to renew any policy of insurance on its expiry or to increase any deductible or cost, except where such failure or default or other event would not reasonably be expected to have a Material Adverse Effect on AMI.

- (rr) Arrangements with Shareholders. Other than as set forth in Schedule 3.1(rr) of the Disclosure Letter, this Agreement, the JMAC Loan, the Shareholder Loans and the Voting Agreements, AMI does not have any agreement, arrangement or understanding (whether written or oral) with any shareholder of AMI, any interested party of AMI or any related party of any interested party of AMI, or any joint actor with any such persons (and for this purpose, the terms "interested party", "related party" and "joint actor" shall have the meaning ascribed to such terms in MI 61-101).

- (ss) Bankruptcy and Insolvency. None of AMI or any of its subsidiaries has made an assignment in favour of its creditors or a proposal in bankruptcy to its creditors or any class thereof nor has any petition for a receiving order been presented in respect of it. None of AMI or any of its subsidiaries has initiated any Legal Proceedings with respect to a compromise or arrangement with its creditors or for its winding up, liquidation or dissolution and, to the knowledge of AMI, no such Legal Proceedings have been threatened by any other person. No receiver has been appointed in respect of AMI or any of its subsidiaries or any of their respective property or assets and no execution or distress has been levied upon any of their respective property or assets and, to the knowledge of AMI, no such Legal Proceedings are pending or have been threatened by any other person.

- (tt) Government Incentives. All filings made by AMI and its subsidiaries under which such entity has received or is entitled to government incentives have been made in compliance with all Laws and contain no misrepresentations which could cause any material amount previously paid to AMI or its subsidiaries or previously accrued on the accounts thereof to be recovered or disallowed.

- (uu) CASL Compliance. AMI and its subsidiaries are and have been in compliance with CASL. AMI and its subsidiaries have not received any written complaints, inquiries, notices of investigation or enforcement actions with respect to its compliance with CASL from any person.

- (vv) First Nations, Métis and Indigenous Matters. Neither AMI or any of its subsidiaries: (i) is a party to any arrangement or understanding with First Nations, Métis, tribal or native authorities or communities in relation to the environment or development of communities; or (ii) has received notice of any claim with respect to assets or property of AMI or any of its subsidiaries for which AMI or any of its subsidiaries has been served, either from First Nations, Métis, tribal or indigenous authorities or any Governmental Entity, indicating that any of the assets or property of AMI or any of its subsidiaries infringe upon or has an adverse effect on indigenous rights or interests in such local, First Nations, Métis, tribal or indigenous authorities.
- (ww) Flow-Through Obligations. Neither AMI or its any of its subsidiaries have any obligations to incur or renounce to investors any Canadian exploration expense or Canadian development expense, each as defined under the Tax Act, pursuant to any flow-through share agreement of which AMI, any of its subsidiaries or any of their respective predecessors is a party.
- (xx) Take or Pay Obligation. Neither AMI nor any of its subsidiaries has any take or pay obligations of any kind or nature whatsoever contained in any Contract.
- (yy) Absence of Certain Events. Other than as disclosed in the Public Disclosure Record, since December 31, 2020, the business of AMI and its subsidiaries has been conducted, in all material respects, in the Ordinary Course of business and consistent with past practice and there has not occurred a Material Adverse Effect.
- (zz) Privacy Laws. None of AMI or its subsidiaries has received a complaint regarding the collection, use or disclosure of personally identifiable information or materials.
- (aaa) Investment Canada Act. AMI is not a "non-Canadian" within the meaning of the *Investment Canada Act*.

3.2 Investigation and Disclaimer of Additional Representations and Warranties

Any due diligence investigation by JMAC or its Representatives shall not mitigate, diminish or affect the representations and warranties of AMI or its subsidiaries contained in Section 3.1. JMAC agrees and acknowledges that, except as expressly set forth in this Agreement, neither AMI nor any other persons on behalf of AMI makes any representation or warranty, express or implied, at Law or in equity, with respect to AMI, its subsidiaries, their respective businesses, the past, current or future financial condition or any of their assets, liabilities or operations, or their past, current or future profitability or performance, individually or in the aggregate, and any such other representations or warranties are hereby expressly disclaimed. Without limiting the generality of the foregoing, AMI expressly disclaims any representation or warranty that is not set forth in this Agreement.

3.3 Survival of Representations and Warranties

The representations and warranties of AMI contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 4
REPRESENTATIONS AND WARRANTIES OF JMAC

4.1 Representations and Warranties

JMAC hereby represents and warrants to and in favour of AMI as set out in this Section 4.1 and acknowledges that AMI is relying upon such representations and warranties in connection with the entering into of this Agreement.

- (a) Organization and Qualification. JMAC is a company registered and existing under the applicable Laws of its jurisdiction of registration, continuance or creation and has all necessary corporate or other power and capacity to carry on business as it is now being conducted.
- (b) Authority Relative to this Agreement. JMAC has the requisite authority and corporate power and capacity to enter into this Agreement and to perform its obligations hereunder. The execution and delivery of this Agreement by JMAC and the performance by JMAC of its obligations under this Agreement have been duly authorized by the sole JMAC manager and no other corporate proceedings on its part are necessary to authorize this Agreement or the Arrangement. This Agreement has been executed and delivered by JMAC and once executed by AMI, constitutes a legal, valid and binding obligation of JMAC enforceable against JMAC in accordance with its terms, subject to the qualification that such enforceability may be limited by bankruptcy, insolvency, reorganization or other laws of general application relating to or affecting creditors rights generally and subject to the qualification that equitable remedies, including specific performance, are discretionary and may only be granted in the discretion of a court of competent jurisdiction.
- (c) No Violation. Other than a notification required under the *Investment Canada Act*, none of the authorization, execution and delivery of this Agreement by JMAC or the completion of the transactions contemplated by this Agreement or the Arrangement, or the performance of its obligations thereunder, or compliance by JMAC with any of the provisions of this Agreement, will violate, conflict with, or result (with or without notice or the passage of time) in a violation or breach of any provision of, or require any consent, approval or notice under, or constitute a default (or an event which, with notice or lapse of time or both, would constitute a default) under any of the terms, conditions or provisions of:
 - (i) JMAC's articles, charters or by-laws or other comparable organizational documents; or
 - (ii) result (with or without notice or the passage of time) in a violation or breach of or constitute a default under any provisions of any Laws applicable to JMAC or any of its respective properties or assets.
- (d) Litigation. There are no material claims or Legal Proceedings pending or, to the knowledge of JMAC, threatened against or affecting JMAC that in any manner challenges or seeks to prevent, enjoin, alter or materially delay the Arrangement or any of the other transactions contemplated thereby.

- (e) Financing. JMAC has on the date of this Agreement, and shall have at the Effective Date, sufficient available funds to pay the aggregate Consideration payable by JMAC to the Shareholders under the Arrangement and all other necessary fees, expenses and other amounts in connection with the consummation of the transactions contemplated by this Agreement.

4.2 Investigation and Disclaimer of Additional Representations and Warranties

Any investigation by AMI or its Representatives shall not mitigate, diminish or affect the representations and warranties of JMAC contained in Section 4.1. AMI agrees and acknowledges that, except as expressly set forth in this Agreement, neither JMAC nor any other persons on behalf of JMAC makes any representation or warranty, express or implied, at Law or in equity, with respect to JMAC, its businesses, the past, current or future financial condition or any of their assets, liabilities or operations, or their past, current or future profitability or performance, individually or in the aggregate, and any such other representations or warranties are hereby expressly disclaimed. Without limiting the generality of the foregoing, JMAC expressly disclaims any representation or warranty that is not set forth in this Agreement.

4.3 Survival of Representations and Warranties

The representations and warranties of JMAC contained in this Agreement shall not survive the completion of the Arrangement and shall expire and be terminated on the earlier of the Effective Time and the date on which this Agreement is terminated in accordance with its terms.

ARTICLE 5 COVENANTS

5.1 Covenants of AMI Regarding the Conduct of Business

AMI covenants and agrees that, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except as required or permitted by this Agreement, applicable Laws or any Governmental Entities or as consented to by JMAC in writing, AMI shall, and shall cause each of its subsidiaries to, conduct its business in the Ordinary Course. Without limiting the generality of the foregoing, from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms, except as required or permitted by this Agreement, or as set out in Schedule 5.1 of the Disclosure Letter, AMI shall not, nor shall it permit any of its subsidiaries to, directly or indirectly, without the prior written consent of JMAC (which consent shall not be unreasonably withheld or delayed):

- (a) (i) amend its articles, charter or by-laws or other comparable organizational documents; (ii) split, combine or reclassify any shares in the capital of AMI or any of its subsidiaries, or declare, set aside or pay any dividend or other distribution or payment (whether in cash, securities or property or any combination thereof) in respect of the AMI Shares owned by any person or the securities of any subsidiary owned by a person other than JMAC other than, in the case of any subsidiary wholly-owned by AMI, any dividends payable to AMI or any other wholly-owned subsidiary of AMI; (iii) issue, grant, deliver, sell or pledge, or agree to issue, grant, deliver, sell or pledge, any AMI DSUs, AMI Shares or shares of its subsidiaries, or any rights convertible into or exchangeable or exercisable for, or otherwise evidencing a right to acquire, shares or other securities of AMI or its subsidiaries, other than: (1) the issuance of the AMI Shares pursuant to the terms of the outstanding the AMI Options; (2) transactions in the Ordinary Course between two or more AMI wholly-owned subsidiaries or between AMI and an AMI wholly-owned

subsidiary; and (3) as required under applicable Law or existing Material Contracts set forth in Schedule 3.1(aa) of the Disclosure Letter; (iv) redeem, purchase or otherwise acquire, or offer to redeem, purchase or otherwise acquire, any outstanding securities of AMI or any of its subsidiaries; (v) amend the terms of any of its securities; (vi) adopt a plan of liquidation or resolution providing for the liquidation or dissolution of AMI or any of its subsidiaries; (vii) amend its accounting policies or adopt new accounting policies, in each case except as required in accordance with IFRS; or (viii) enter into any agreement with respect to any of the foregoing;

- (b) except in the Ordinary Course: (i) sell, pledge, hypothecate, lease, license, sell and lease back, mortgage, dispose of or encumber or otherwise transfer, any assets, securities, properties, interests or businesses of AMI or any of its subsidiaries for an amount greater than \$35,000, in the aggregate; (ii) acquire (by merger, amalgamation, consolidation or acquisition of shares or assets or otherwise), directly or indirectly, any assets, securities, properties, interests, businesses, corporation, partnership or other business organization or division thereof, or make any investment either by the purchase of securities, contribution of capital, property transfer, or purchase of any other property or assets of any other person, for an amount greater than \$35,000, in the aggregate; (iii) incur, create, assume or otherwise become liable for, any indebtedness for borrowed money or any other liability or obligation or issue any debt securities or assume, guarantee, endorse or otherwise as an accommodation become responsible for the obligations of any other person; (iv) pay, discharge or satisfy any material liabilities or obligations; (v) waive, release, grant or transfer any rights of material value; (vi) enter into new commitments of any expenditures in excess of \$35,000, in the aggregate, except in accordance with current approved budgets that have been disclosed to JMAC; or (vii) authorize or propose any of the foregoing, or enter into any agreement to do any of the foregoing;
- (c) other than as is necessary to comply with applicable Laws or Contracts, or in accordance with the Benefit Plans: (i) grant to any officer, employee or director of AMI or any of its subsidiaries an increase in compensation in any form, or grant any general salary increase; (ii) make any loan to any officer, employee, or director of AMI or any of its subsidiaries; (iii) take any action with respect to the grant of any severance, change of control, bonus or termination pay to, or enter into any employment agreement, deferred compensation or other similar agreement (or amend any such existing agreement) with any officer, employee or director of AMI or any of its subsidiaries; (iv) increase any benefits payable under any existing severance or termination pay policies or employment agreements, or adopt or materially amend or make any contribution to any Benefit Plan or other bonus, profit sharing, option, pension, retirement, deferred compensation, insurance, incentive compensation, compensation or other similar plan, agreement, trust, fund or arrangement for the benefit of directors, officers or employees or former directors, officers, employees of AMI or any of its subsidiaries; (v) increase bonus levels or other benefits payable to any director, officer or employee of AMI or any of its subsidiaries; or (vi) establish, adopt or amend (except as required by applicable Law) any collective bargaining agreement or similar agreement; or (vii) provide for accelerated vesting, removal of restrictions on exercise of any stock based or stock related awards (including stock options, stock appreciation rights, deferred share units, performance units and restricted share awards) upon a change of control occurring on or prior to the Effective Time;

- (d) settle, pay, discharge, satisfy, compromise, waive, assign or release, in an amount greater than \$35,000: (i) any Legal Proceeding brought against AMI and/or any of its subsidiaries; or (ii) any Legal Proceeding brought by any present, former or purported holder of its securities in connection with the transactions contemplated by this Agreement or the Plan of Arrangement;
- (e) enter into any agreement or arrangement that limits or otherwise restricts in any respect AMI or any of its subsidiaries or any successor thereto, or that would, after the Effective Time, limit or restrict in any respect AMI or any of its subsidiaries from competing in any manner;
- (f) waive, release or assign any rights, claims or benefits of AMI or any of its subsidiaries;
- (g) fail to: (i) maintain its properties and other assets in good working condition (normal wear and tear excepted); (ii) use its best efforts to maintain its business, customers, assets and operations as an ongoing concern in the Ordinary Course and in accordance with past practice; and (iii) use commercially reasonable efforts to maintain its employees;
- (h) other than in the Ordinary Course: (i) enter into any agreement that if entered into prior to the date of this Agreement would be a Material Contract; or (ii) modify, amend, transfer or terminate any Material Contract, or waive, release or assign any rights or claims thereto or thereunder;
- (i) change any method of Tax accounting, make or change any Tax election, file any materially amended Tax Return, settle or compromise any Tax liability in excess of \$35,000, agree to an extension or waiver of the limitation period with respect to the assessment, reassessment or determination of Taxes, enter into any closing agreement with respect to any Tax or surrender any right to claim a Tax refund;
- (j) take any action or fail to take any action which action or failure to act would result in the loss, expiration or surrender of, or the loss of any benefit under, or reasonably be expected to cause any Governmental Entity to institute proceedings for the suspension, revocation or limitation of rights under, any Permits or any approvals of or from any Governmental Entity necessary to conduct its businesses as now conducted or as proposed to be conducted; or fail to prosecute with commercially reasonable due diligence any pending applications to any Governmental Entities for approvals;
- (k) take any action or fail to take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of AMI to consummate the Arrangement or the other transactions contemplated by this Agreement; or
- (l) agree, resolve or commit to do any of the foregoing.

AMI shall use its commercially reasonable efforts to cause the current insurance (or re-insurance) policies maintained by AMI or any of its subsidiaries, including directors' and officers' insurance, not to be cancelled or terminated or any of the coverage thereunder to lapse, unless simultaneously with such termination, cancellation or lapse, replacement policies underwritten by insurance or re-insurance companies of nationally recognized standing having comparable deductions and providing coverage equal to or greater than the coverage under the cancelled, terminated or lapsed policies for substantially similar

premiums are in full force and effect; provided that, subject to Section 7.6, none of AMI or any of its subsidiaries shall obtain or renew any insurance (or re-insurance) policy for a term exceeding 12 months.

AMI shall keep JMAC fully informed as to all decisions over \$35,000 in value or actions required to be made with respect to the operations of the business of AMI; provided, however, that the failure to do so shall not constitute a breach of this Agreement that, in and of itself, may lead to termination of this Agreement.

AMI shall promptly notify JMAC in writing of any circumstance or development that, to the knowledge of AMI, is or could reasonably be expected to constitute a Material Adverse Effect.

5.2 Covenants of AMI Relating to the Arrangement

AMI shall, and shall cause its subsidiaries to, perform all obligations required or desirable to be performed by AMI or any of its subsidiaries under this Agreement, cooperate with JMAC in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement and, without limiting the generality of the foregoing, AMI shall and, where applicable, shall cause its subsidiaries to:

- (a) apply for and use its commercially reasonable efforts to obtain all Key Regulatory Approvals relating to AMI or any of its subsidiaries and AMI shall file as soon as reasonably practicable with all applicable Governmental Entities all notices, applications, submissions or other documents or information required and, without limiting the foregoing, AMI shall use its commercially reasonable efforts to satisfy, as soon as reasonably possible, any requests for information and documentation received from any Governmental Entity in connection with such approval; and, in doing so, keep JMAC reasonably informed as to the status of the proceedings related to obtaining such approvals, including providing JMAC with copies of all related applications and notifications, in draft form (except where such material is confidential in which case it will be provided (subject to applicable Laws) to JMAC's outside counsel on an "external counsel" basis), in order for JMAC to provide its comments thereon, which shall be given due and reasonable consideration;
- (b) use its commercially reasonable efforts to obtain as soon as practicable following execution of this Agreement all third-party consents, approvals and notices required under, and shall use commercially reasonable efforts to obtain all amendments reasonably requested by JMAC in respect of, any Material Contracts and all Key Consents, all as set out in the Disclosure Letter;
- (c) defend all Legal Proceedings against AMI challenging or affecting this Agreement or the consummation of the transactions contemplated hereby;
- (d) use commercially reasonable efforts to assist JMAC in making the necessary arrangements to restructure, payout or otherwise deal with AMI's indebtedness;
- (e) except as permitted by this Agreement, not take any action that is intended to, or would reasonably be expected to, individually or in the aggregate, prevent, materially delay or materially impede the ability of AMI to consummate the Arrangement or the other transactions contemplated by this Agreement; and

- (f) until the earlier of the Effective Time and termination of this Agreement, AMI shall, subject to applicable Law, make available and cause to be made available to JMAC, and the agents and advisors thereto, information reasonably requested by JMAC for the purposes of preparing, considering and implementing integration and strategic plans for the combined businesses of JMAC and AMI following the Effective Date and confirming the representations and warranties of AMI set out in this Agreement.

5.3 Covenants of JMAC Relating to the Arrangement

JMAC shall, and shall cause its subsidiaries to, perform all obligations required or desirable to be performed by JMAC or any of its subsidiaries under this Agreement, cooperate with AMI in connection therewith, and do all such other acts and things as may be necessary or desirable in order to consummate and make effective, as soon as reasonably practicable, the transactions contemplated in this Agreement and, without limiting the generality of the foregoing, JMAC shall and, where appropriate, shall cause its subsidiaries to:

- (a) subject to the terms and conditions of this Agreement and of the Plan of Arrangement and applicable Laws, issue to the Shareholders, AMI Optionholders and the AMI DSU Holders the applicable Consideration pursuant to the Arrangement at the time provided herein;
- (b) at the Meeting or in any other circumstances upon which a vote, consent or other approval (including by written consent in lieu of a meeting) with respect to this Agreement or the transactions contemplated by this Agreement is sought, JMAC shall cause any AMI Shares and/or AMI Options, as applicable, beneficially owned or controlled, directly or indirectly, by JMAC to be counted as present for purposes of establishing quorum and shall vote (or cause to be voted) such AMI Shares and/or AMI Options in favour of the approval of the Arrangement, including in favour of the Arrangement Resolution, any other transactions contemplated in this Agreement and any other matter necessary for the consummation of the Arrangement;
- (c) at any meeting of the Securityholders of AMI or at any adjournment or postponement thereof or in any other circumstances upon which a vote, consent or other approval of all or some of the holders of AMI Shares is sought (including by written consent in lieu of a meeting), JMAC shall cause any AMI Shares, as applicable, beneficially owned or controlled, directly or indirectly, by JMAC (which have a right to vote at such meeting) to be counted as present for purposes of establishing quorum and shall vote (or cause to be voted) AMI Shares and/or AMI Options against: (i) any Acquisition Proposal; (ii) any action, agreement, transaction or proposal that would result in a material breach of any representation, warranty, covenant, agreement or other obligation of either of the Parties in this Agreement; and/or (iii) any matter that could reasonably be expected to delay, prevent, impede or frustrate the successful completion of the Arrangement or any of the transactions contemplated by this Agreement; and
- (d) JMAC agrees not to directly or indirectly: (i) sell, transfer, assign, tender, exchange, grant a participation interest in, gift, option, pledge, hypothecate, grant a security interest in, place in trust or otherwise convey, dispose or encumber (each, a "**Transfer**"), or enter into any agreement, understanding, option or other arrangement with respect to the Transfer of, any AMI Shares and/or AMI Options, beneficially owned or controlled, directly or indirectly, by JMAC to any person, other than pursuant to this Agreement; (ii) grant any proxies or power of attorney, deposit any of its AMI Shares and/or AMI Options

into any voting trust or enter into any voting arrangement, whether by proxy, voting agreement or otherwise, with respect to such AMI Shares and/or AMI Options, other than pursuant to this Agreement; (iii) otherwise enter into any agreement or arrangement with any person or entity or commit any act that could limit, restrict or affect JMAC's legal power, authority, or right to vote any of such AMI Shares and/or AMI Options or otherwise prevent or disable JMAC from performing any of JMAC's obligations under this Section 5.3; or (iv) requisition or join in the requisition of any meeting of any of the securityholders of AMI for the purpose of considering any resolution.

5.4 Mutual Covenants

Each of the Parties covenants and agrees that, except as contemplated in this Agreement, during the period from the date of this Agreement until the earlier of the Effective Time and the time that this Agreement is terminated in accordance with its terms:

- (a) it shall, and shall cause its subsidiaries to, use commercially reasonable efforts to satisfy (or cause the satisfaction of) the conditions precedent to its obligations hereunder as set forth in ARTICLE 6 to the extent the same is within its control and to take, or cause to be taken, as promptly as practicable, all other action and to do, or cause to be done, all other things necessary, proper or advisable under all applicable Laws to complete the Plan of Arrangement, including using its commercially reasonable efforts to: (i) obtain all Key Regulatory Approvals required to be obtained by it; (ii) effect all necessary registrations, filings and submissions of information requested by Governmental Entities required to be effected by it in connection with the Plan of Arrangement; (iii) oppose, lift or rescind any injunction or restraining order against it or other order or action against it seeking to stop, or otherwise adversely affecting its ability to make and complete, the Plan of Arrangement; (iv) cooperate with the other Party in connection with the performance by it and its subsidiaries of their obligations hereunder, including giving the other Party a reasonable opportunity to review and comment on any filing or submission being made to a Governmental Entity in connection with the Key Regulatory Approvals, which comments the receiving Party shall give due consideration to, and providing the other Party with a final copy of any filing or submission made to a Governmental Entity (where a Party regards any information in a filing or submission to be both confidential and competitively sensitive, the supplying Party may restrict the supply of such information to the receiving Party's external legal counsel only and such receiving Party shall not request or receive such information from its external legal counsel without the supplying Party's written consent); (v) provide the other Party with any communications received from a Governmental Entity in connection with obtaining the Key Regulatory Approvals; (vi) not attend any meeting with a Governmental Entity in connection with obtaining the Key Regulatory Approvals, whether such meeting will be by teleconference or in person, without affording the other Party a reasonable opportunity to attend such meeting (provided that the Governmental Entity does not object to the attendance of both Parties at any such meeting); in addition, subject to the terms and conditions of this Agreement, none of the Parties shall knowingly take or cause to be taken any action which would reasonably be expected to prevent or materially delay the consummation of the transactions contemplated hereby; and (vii) exchange such information that a Party reasonably requests for the purposes of determining whether any filing or notices to a Governmental Entity under any competition or anti-trust Laws outside of Canada must be submitted in connection with the transactions contemplated by this Agreement; and

- (b) on the Effective Date, AMI shall pay the Transaction Fee concurrently with the completion of the Arrangement; and
- (c) it shall not take any action, refrain from taking any commercially reasonable action, or permit any action to be taken or not taken, which is inconsistent with this Agreement, or which would reasonably be expected to significantly impede the making or completion of the Plan of Arrangement except as permitted by this Agreement.

5.5 Resignations

Prior to the Effective Time, AMI shall use commercially reasonable efforts to cause, and it shall cause any of its subsidiaries to use commercially reasonable efforts to cause, those directors and officers of AMI and its subsidiaries listed in Schedule 5.5 of the Disclosure Letter to provide resignations and mutual releases, in form and substance satisfactory to JMAC, acting reasonably, effective as at the Effective Time and AMI shall, and shall cause its subsidiaries, to enter into such mutual releases, as applicable.

5.6 Pre-Acquisition Reorganization

- (a) AMI agrees that, upon request by JMAC, AMI will, and will cause each of its subsidiaries to, at the expense of JMAC, use its commercially reasonable efforts to: (i) effect such reorganizations of its business, operations and assets and the integration of other affiliated businesses as JMAC may request, acting reasonably (each a "**Pre-Acquisition Reorganization**"); and (ii) cooperate with JMAC and its advisors to determine the nature of the Pre-Acquisition Reorganizations that might be undertaken and the manner in which they may most effectively be undertaken.
- (b) AMI and JMAC acknowledge and agree that a Pre-Acquisition Reorganization shall not: (i) impede, delay or prevent consummation of the Arrangement; (ii) in the opinion of AMI, acting reasonably, prejudice the Shareholders or any other securityholders of AMI, AMI or any subsidiary; (iii) require AMI to obtain the prior approval of the Shareholders; (iv) in the opinion of AMI, acting reasonably, result in material adverse Tax consequences to AMI, any subsidiary or any Shareholders or other securityholders of AMI; (v) result in a material breach by AMI or any of its subsidiaries of any Material Contract of AMI or a subsidiary or any Law then in effect (provided, however, that AMI will use its commercially reasonable efforts, at the expense of JMAC, to obtain a consent or waiver in order to avoid any such breach); or (vi) result in the withdrawal or material modification of the Fairness Opinion.
- (c) JMAC will provide written notice to AMI of any proposed Pre-Acquisition Reorganization at least ten business days prior to the anticipated Effective Time. Upon receipt of such notice, JMAC and AMI will, at the expense of JMAC, work cooperatively and use commercially reasonable efforts to prepare prior to the Effective Time all documentation necessary and do such other acts and things as are necessary to give effect to any Pre-Acquisition Reorganization. If the Arrangement is not completed, JMAC will forthwith reimburse AMI for all losses, costs, Taxes, reasonable and documented fees and expenses (including any professional fees and expenses) incurred by AMI or any of its subsidiaries in respect of considering and effecting a Pre-Acquisition Reorganization and JMAC will be responsible for any losses, costs, Taxes, fees and expenses of AMI or any of its subsidiaries in reversing, modifying, terminating or unwinding any Pre-Acquisition Reorganization that was commenced or effected prior to termination of the Agreement. The obligation of JMAC to reimburse AMI for losses, Taxes, costs, fees and expenses and be responsible for

any losses, costs, Taxes, fees and expenses as set out in this Section 5.6 will survive termination of this Agreement.

ARTICLE 6 CONDITIONS

6.1 Mutual Conditions Precedent

The obligations of the Parties to complete the transactions contemplated by this Agreement are subject to the fulfillment, on or before the Effective Time, of each of the following conditions precedent, each of which may only be waived with the mutual consent of the Parties:

- (a) the Interim Order and the Final Order shall each have been obtained on terms consistent with this Agreement, and shall not have been set aside or modified in a manner unacceptable to AMI or JMAC, acting reasonably, on appeal or otherwise;
- (b) the Securityholder Approval shall have been obtained at the Meeting in accordance with the Interim Order;
- (c) there shall not exist any prohibition at Law, including a cease trade order, injunction or other prohibition or order at Law or under applicable legislation, against JMAC or AMI which shall prevent the consummation of the Arrangement;
- (d) the Key Regulatory Approvals and Key Consents shall have been obtained and shall remain in effect; and
- (e) this Agreement shall not have been terminated in accordance with its terms.

6.2 Additional Conditions Precedent to the Obligations of JMAC

The obligations of JMAC to complete the transactions contemplated by this Agreement shall also be subject to the fulfillment of each of the following conditions precedent (each of which is for the exclusive benefit of JMAC and may be waived by JMAC in its sole discretion):

- (a) all covenants of AMI under this Agreement to be performed on or before the Effective Time which have not been waived by JMAC shall have been duly performed by AMI in all material respects, and JMAC shall have received a certificate of AMI addressed to JMAC and dated the Effective Time, signed by two executive officers on behalf of AMI (on AMI's behalf and without personal liability), confirming the same as at the Effective Date;
- (b) all representations and warranties of AMI set forth in this Agreement that are qualified by the expression "Material Adverse Effect" shall be true and correct in all respects, as though made on and as of the Effective Time (except for representations and warranties made as of a specified date, the accuracy of which shall be determined as of that specified date), and all other representations and warranties made by AMI in this Agreement that are not so qualified shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except for representations and warranties made as of a specified date the accuracy of which shall be determined as of that specified date); and JMAC shall have received a certificate of AMI addressed to JMAC and dated the Effective Time, signed on behalf of AMI by two executive officers of AMI (on AMI's behalf and without personal liability), confirming the same as at the Effective Date;

- (c) since the date of this Agreement, there shall not have occurred any event, occurrence, development or circumstance that, individually or in the aggregate has had or would reasonably be expected to have a Material Adverse Effect on AMI;
- (d) the resignations and mutual releases contemplated by Section 5.5 shall have been executed and delivered; and
- (e) holders of no more than 10% of the AMI Shares shall have exercised Dissent Rights.

The foregoing conditions will be for the sole benefit of JMAC and may be waived by it, in its sole discretion, in whole or in part at any time.

6.3 Additional Conditions Precedent to the Obligations of AMI

The obligations of AMI to complete the transactions contemplated by this Agreement, shall also be subject to the fulfillment of each of the following conditions precedent (each of which is for the exclusive benefit of AMI and may be waived by AMI in its sole discretion):

- (a) all covenants of JMAC under this Agreement to be performed on or before the Effective Time, which have not been waived by AMI, shall have been duly performed by JMAC in all material respects, and AMI shall have received a certificate of JMAC, addressed to AMI and dated the Effective Time, signed on behalf of JMAC by one executive officer of JMAC (on JMAC's behalf and without personal liability), confirming the same as of the Effective Date;
- (b) all other representations and warranties made by JMAC in this Agreement that are not so qualified shall be true and correct in all material respects as of the Effective Date as if made on and as of such date (except for representations and warranties made as of a specified date the accuracy of which shall be determined as of that specified date); and AMI shall have received a certificate of JMAC, addressed to AMI and dated the Effective Time, signed on behalf of JMAC by one executive officer of JMAC (on JMAC's behalf and without personal liability), confirming the same as at the Effective Date; and
- (c) JMAC shall have complied with its obligations under Section 2.8 and the Depositary shall have confirmed receipt of the Consideration contemplated thereby.

The foregoing conditions will be for the sole benefit of AMI and may be waived by it, in its sole discretion, in whole or in part at any time.

6.4 Satisfaction of Conditions

The conditions precedent set out in Sections 6.1, 6.2 and 6.3 shall be conclusively deemed to have been satisfied, waived or released at the Effective Time.

ARTICLE 7 ADDITIONAL AGREEMENTS

7.1 Notice and Cure Provisions

- (a) Each Party will give prompt notice to the other of the occurrence, or failure to occur, at any time from the date of this Agreement until the earlier to occur of the termination of

this Agreement and the Effective Time of any event or state of facts which occurrence or failure would, or would be likely to:

- (i) cause any of the representations or warranties of any Party contained herein to be untrue or inaccurate in any material respect on the date of this Agreement or at the Effective Time; or
 - (ii) result in the failure to comply with or satisfy any covenant, condition or agreement to be complied with or satisfied by any Party hereunder prior to the Effective Time.
- (b) JMAC may not exercise its rights to terminate this Agreement pursuant to Section 8.2(a)(iii)(3) and AMI may not exercise its right to terminate this Agreement pursuant to Section 8.2(a)(iv)(3) unless the Party intending to rely thereon has delivered a written notice to the other Party specifying in reasonable detail all breaches of covenants, representations and warranties or other matters which the Party delivering such notice is asserting as the basis for the non-fulfilment or the applicable condition or termination right, as the case may be. If any such notice is delivered, provided that a Party is proceeding diligently to cure such matter and such matter is capable of being cured, no Party may terminate this Agreement until the expiration of a period of five business days from such notice, and then only if such matter has not been cured by such date. If such notice has been delivered prior to the making of the application for the Final Order, such application and such filing shall be postponed until the expiry of such period. For greater certainty, in the event that such matter is cured within the time period referred to herein without a Material Adverse Effect, this Agreement may not be terminated as a result of the cured breach.

7.2 Non-Solicitation

- (a) AMI shall not directly or indirectly, through any officer, director, employee, representative (including any financial or other advisor) or agent of AMI or any of its subsidiaries (collectively, the "**Representatives**"): (i) make, solicit, assist, initiate, promote, facilitate or knowingly encourage (including by way of furnishing information or entering into any form of agreement, arrangement or understanding) the initiation of any inquiries or proposals regarding an Acquisition Proposal; (ii) participate, directly or indirectly, in any discussions or negotiations with any person (other than JMAC or any of its affiliates) regarding, or furnish to any person any information or otherwise cooperate with, respond to, assist or participate in, an Acquisition Proposal; provided, however, AMI may communicate with any person making an Acquisition Proposal for the purpose of advising such person that the Acquisition Proposal could not reasonably be expected to result in a Superior Proposal; (iii) approve, accept, endorse or recommend, or propose publicly to accept, approve, endorse or recommend, any Acquisition Proposal; (iv) accept or enter into or publicly propose to accept or enter into, any letter of intent, agreement in principle, agreement, understanding, undertaking or arrangement or other contract in respect of an Acquisition Proposal, or requiring it to abandon, terminate or fail to consummate the Arrangement, or providing for the payment of any break, termination or other fees or expenses to any person in relation to an Acquisition Proposal; (v) make a Change in Recommendation; or (vi) make any public announcement or take any other action inconsistent with the recommendation of the AMI Board to approve the Arrangement.
- (b) AMI shall, and shall cause its subsidiaries and Representatives to immediately cease and cause to be terminated any solicitation, encouragement, discussion or negotiation with

any persons conducted heretofore by it, its subsidiaries or any Representatives with respect to any Acquisition Proposal, and, in connection therewith, AMI will discontinue access to any of its confidential information (and not establish or allow access to any of its confidential information, or any data room, virtual or otherwise) and shall as soon as possible request, to the extent that it is entitled to do so (and exercise all rights it has to require) the return or destruction of all confidential information regarding AMI and its subsidiaries previously provided to any such person or any other person and will request (and exercise all rights it has to require) the destruction of all material including or incorporating or otherwise reflecting any material confidential information regarding AMI and its subsidiaries. AMI agrees that neither it nor any of its subsidiaries, shall terminate, waive, amend or modify any provision of any existing confidentiality agreement relating to an Acquisition Proposal or any standstill agreement to which it or any of its subsidiaries is a party (it being acknowledged and agreed that the automatic termination of any standstill provisions of any such agreement as the result of the entering into and announcement of this Agreement, pursuant to the express terms of any such agreement, shall not be a violation of this Section 7.2(b)) and AMI undertakes to enforce all standstill, non-disclosure, non-disturbance, non-solicitation and similar covenants that it or any of its subsidiaries have entered into prior to the date of this Agreement.

- (c) Notwithstanding Section 7.2(a) and Section 7.2(b) and any other provision of this Agreement or of any other agreement between JMAC and AMI, if at any time following the date of this Agreement and prior to obtaining the Securityholder Approval, AMI receives a bona fide, written Acquisition Proposal that did not result from a breach of Section 7.2(a) and Section 7.2(b) and that the AMI Board determines in good faith, would be a Superior Proposal, then AMI may, in response to a request made by the party making such Acquisition Proposal provided it is in compliance with Section 7.2(d):
 - (i) furnish information with respect to AMI and its subsidiaries to the person making such Acquisition Proposal;
 - (ii) enter into, participate, facilitate and maintain discussions or negotiations with, and otherwise cooperate with or assist, the person making such Acquisition Proposal; and/or
 - (iii) waive any standstill provision or agreement that would otherwise prohibit such person from making such Acquisition Proposal;

provided that AMI shall not, and shall not allow its Representatives to, disclose any non-public information to such person: (1) if such non-public information has not been previously provided to, or is not concurrently provided to JMAC hereto; and (2) without entering into an agreement with such person substantially in the form of the Confidentiality Agreement containing terms that are no more favourable to such person than those found in the Confidentiality Agreement; provided, however, that any such agreement shall not preclude such person from making a Superior Proposal.

- (d) AMI shall promptly notify JMAC, at first orally and then in writing within 24 hours of receipt of the Acquisition Proposal, of the material terms and conditions thereof, and the identity of the person or persons making the Acquisition Proposal, and shall provide JMAC with a copy of any such proposal, inquiry, offer or request, a valuation of any non-cash consideration, a copy of any agreement entered into in accordance with Section 7.3 and a copy of any other agreements which relate to the Acquisition Proposal to which it has

access, or any amendment to any of the foregoing. AMI shall thereafter also provide such other details of such proposal, inquiry, offer or request, or any amendment to any of the foregoing, as JMAC may reasonably request and shall keep JMAC fully informed as to the status, including any changes to the material terms, of such proposal, inquiry, offer or request, or any amendment to any of the foregoing, and shall respond promptly to all inquiries from JMAC with respect thereto.

- (e) Subject to Section 7.3, at any time following the date of this Agreement and prior to obtaining the Securityholder Approval, if AMI receives an Acquisition Proposal that did not result from a breach of this Section 7.2 and which the AMI Board concludes in good faith constitutes a Superior Proposal, it may, subject to compliance with the procedures set forth in Sections 7.3, 7.4 and 8.2, terminate this Agreement to enter into a definitive agreement with respect to such Superior Proposal.
- (f) AMI shall ensure that its officers, directors and employees and its subsidiaries and their officers, directors, employees and any financial advisors or other advisors or Representatives retained by it are aware of the provisions of this Section 7.2, and it shall be responsible for any breach of this Section 7.2 by such officers, directors, employees and any financial advisors or other advisors or Representatives.

7.3 Right to Match

- (a) AMI covenants that it will not accept, approve, endorse or recommend or enter into any agreement, understanding or arrangement in respect of a Superior Proposal (other than, for clarity, a confidentiality and standstill agreement permitted by Section 7.2(c)) or make a Change in Recommendation as a result thereof unless:
 - (i) AMI has complied with its obligations under Section 7.2 and has provided JMAC with a copy of the Superior Proposal and all related documentation described in Section 7.2(d); and
 - (ii) a period (the "**Response Period**") of five business days has elapsed from the date that is the later of: (1) the date on which JMAC receives written notice from AMI that it has determined, subject only to compliance with this Section 7.3, to accept, approve, endorse, recommend or enter into a binding agreement to proceed with such Superior Proposal; and (2) the date JMAC receives a copy of the Superior Proposal and all related documents described in Section 7.2(d).
- (b) During the Response Period, JMAC will have the right, but not the obligation, to offer to amend this Agreement and the Plan of Arrangement, including modification of the Consideration. AMI shall review any such offer by JMAC to amend this Agreement and the Plan of Arrangement to determine whether the Acquisition Proposal to which JMAC is responding would continue to be a Superior Proposal when assessed against the Arrangement as it is proposed in writing by JMAC to be amended. If AMI determines that the Acquisition Proposal no longer constitutes a Superior Proposal, when assessed against this Agreement and the Plan of Arrangement as they are proposed to be amended by JMAC, AMI will cause it to enter into an amendment to this Agreement with JMAC incorporating the amendments to the Agreement and Plan of Arrangement as set out in the written offer to amend, and will promptly reaffirm its recommendation of the Arrangement by the prompt issuance of a press release to that effect. If AMI determines that the Acquisition Proposal continues to be a Superior Proposal, it may recommend that

holders of its securities accept such Superior Proposal provided that, before doing so, it terminates this Agreement and pays the Termination Fee pursuant to Section 8.2(a)(iii)(7) or Section 8.2(a)(iv)(1), as applicable, in order to accept or enter into an agreement, understanding or arrangement to proceed with the Superior Proposal.

- (c) Each successive amendment to any Acquisition Proposal that results in an increase in, or modification of, the consideration (or value of such consideration) to be received by the holders of AMI's securities shall constitute a new Acquisition Proposal for the purposes of this Section 7.3 and JMAC shall be afforded a new Response Period and the rights afforded in Section 7.3(b) in respect of each such Acquisition Proposal.
- (d) Where at any time within ten days before the Meeting, AMI has provided JMAC with a notice under Section 7.3(a)(i), an Acquisition Proposal has been publicly disclosed or announced, and the Response Period has not elapsed, then, subject to applicable Laws, at JMAC's request, AMI will postpone or adjourn the Meeting to a date acceptable to JMAC, acting reasonably, which shall not be later than ten business days after the scheduled date of the Meeting and shall, in the event that the Parties amend the terms of this Agreement pursuant to Section 7.3(b), ensure that the details of such amended Agreement are communicated to the Shareholders prior to the postponed meeting or resumption of the adjourned meeting, as the case may be.

7.4 Expenses and Termination Fees

- (a) For the purposes of this Agreement, "**Expense Reimbursement Fee**" means \$550,000.
- (b) For the purposes of this Agreement, "**Expense Reimbursement Event**" means the termination of this Agreement:
 - (i) by either Party pursuant to Section 8.2(a)(ii)(1) [*Outside Date*]; or
 - (ii) by JMAC pursuant to Section 8.2(a)(iii)(6) [*Failure to Hold Meeting*]; or
 - (iii) by JMAC pursuant to Section 8.2(a)(iii)(2) [*Failure to Meet Condition*]; or
 - (iv) by either Party pursuant to Section 8.2(a)(ii)(3) [*AMI Shareholder Approval*]; or
 - (v) by JMAC pursuant to Section 8.2(a)(iii)(3) [*Breach of Representation*].
- (c) If an Expense Reimbursement Event occurs, the Expense Reimbursement Fee shall be payable by AMI to JMAC within two business days with the occurrence of such Expense Reimbursement Event (by wire transfer of immediately available funds).
- (d) For the purposes of this Agreement, "**Termination Fee**" means \$790,000.
- (e) For the purposes of this Agreement, "**Termination Fee Event**" means the termination of this Agreement:
 - (i) by JMAC pursuant to Section 8.2(a)(iii)(1) [*Change in Recommendation*]; or
 - (ii) by JMAC pursuant to Section 8.2(a)(iii)(7) [*Superior Proposal*]; or
 - (iii) by JMAC pursuant to Section 8.2(a)(iii)(4) [*Breach of Non-solicitation*]; or

- (iv) by AMI pursuant to Section 8.2(a)(iv)(1) [*Superior Proposal*].
- (f) If a Termination Fee Event occurs, the Termination Fee shall be payable by AMI to JMAC within two business days with the occurrence of such Termination Fee Event (by wire transfer of immediately available funds).
- (g) Each of the Parties acknowledges that the agreements contained in this Section 7.4 are an integral part of the transactions contemplated in this Agreement and that, without those agreements, the Parties would not enter into this Agreement. Each Party acknowledges that all of the payment amounts set out in this Section 7.4 are payments of liquidated damages which are a genuine pre-estimate of the damages, which the Party entitled to such damages will suffer or incur as a result of the event giving rise to such payment and the resultant termination of this Agreement and are not penalties. AMI irrevocably waives any right it may have to raise as a defence that any such liquidated damages are excessive or punitive. For greater certainty, each Party agrees that, upon any termination of this Agreement under circumstances where JMAC is entitled to the Expense Reimbursement Fee or Termination Fee and such Expense Reimbursement Fee or Termination Fee, as applicable, is paid in full, JMAC shall be precluded from any other remedy against AMI at Law or in equity or otherwise (including, without limitation, an order for specific performance) pursuant to this Agreement, and shall not seek to obtain any recovery, judgment, or damages of any kind, including consequential, punitive or indirect, against AMI or any of its subsidiaries or any of its respective directors, officers, employees, partners, managers, members, shareholders or affiliates in connection with this Agreement or the transactions contemplated hereby.
- (h) Nothing in this Section 7.4 shall relieve or have the effect of relieving any Party in any way from liability for damages incurred or suffered by a Party as a result of an intentional or wilful breach of this Agreement or fraud.
- (i) Nothing in this Section 7.4 shall preclude a Party from seeking injunctive relief to restrain any breach or threatened breach of the covenants or agreements set forth in this Agreement or the Confidentiality Agreement or otherwise to obtain specific performance of any such covenants or agreements, without the necessity of posting bond or security in connection therewith.
- (j) In no event shall AMI be obligated to pay JMAC an amount in respect of the termination of this Agreement that is, in aggregate, in excess of the Termination Fee and the Termination Fee shall, in any case, only be paid once by AMI.

7.5 Access to Information; Confidentiality

- (a) From the date of this Agreement until the earlier of the Effective Time and the termination of this Agreement, subject to compliance with applicable Law and the terms of any existing Contracts, AMI shall, and shall cause its subsidiaries and their respective officers, directors, employees, independent auditors, accounting advisers and agents to, afford to JMAC and to the officers, employees, agents and Representatives of JMAC such access as JMAC may reasonably require at all reasonable times, including for the purpose of facilitating integration business planning, to their officers, employees, agents, properties, books, records and Contracts, and shall furnish JMAC with all data and information as JMAC may reasonably request.

- (b) JMAC and AMI acknowledge and agree that information furnished pursuant to this Section 7.5 shall be subject to the terms and conditions of the Confidentiality Agreement.

7.6 Insurance and Indemnification

- (a) AMI shall acquire a tail directors' and officers' liability insurance policy as set forth in Schedule 7.6(a) of the Disclosure Letter.
- (b) JMAC shall indemnify, defend, and hold harmless, the current officers and directors of AMI and its subsidiaries in relation to the matters set forth in Schedule 7.6(a) of the Disclosure Letter.
- (c) JMAC agrees that it shall directly honour all rights to indemnification or exculpation now existing in favour of present and former officers and directors of AMI and its subsidiaries, and acknowledges that such rights shall survive the completion of the Plan of Arrangement and shall continue in full force and effect.
- (d) The provisions of this Section 7.6 are intended for the benefit of, and shall be enforceable by, each insured or indemnified person, their heirs and their legal representatives and, for such purpose, the Parties, as applicable, hereby confirm that they are acting as agent and trustee on their behalf.

ARTICLE 8

TERM, TERMINATION, AMENDMENT AND WAIVER

8.1 Term

This Agreement shall be effective from the date of this Agreement until the earlier of the Effective Time and the termination of this Agreement in accordance with its terms.

8.2 Termination

- (a) This Agreement, other than Section 7.4, may be terminated and the Arrangement may be abandoned at any time prior to the Effective Time (notwithstanding any approval of this Agreement or the Arrangement Resolution by the Securityholders, or of this Agreement or the approval of the Arrangement by the Court):
 - (i) by mutual written agreement of AMI and JMAC; or
 - (ii) by either AMI or JMAC, if:
 - (1) the Effective Time shall not have occurred on or before the Outside Date, except that the right to terminate this Agreement under this Section 8.2(a)(ii)(1) shall not be available to any Party whose failure to fulfill any of its obligations or whose breach of any of its representations and warranties under this Agreement has been the cause of, or directly resulted in, the failure of the Effective Time to occur by such Outside Date; or
 - (2) after the date of this Agreement, there shall be enacted or made any applicable Law that makes consummation of the Arrangement illegal or

otherwise prohibited or enjoins AMI or JMAC from consummating the Arrangement and such applicable Law (if applicable) or injunction shall have become final and non-appealable; or

- (3) the Arrangement Resolution shall have failed to obtain the Securityholder Approval at the Meeting (including any adjournment or postponement thereof) in accordance with the Interim Order and in the case of AMI, once the Expense Reimbursement Fee has been paid to JMAC; or

(iii) by JMAC, if:

- (1) the AMI Board makes a Change in Recommendation; or
- (2) any of the conditions set forth in Section 6.1 or Section 6.2 is not satisfied, and such condition is incapable of being satisfied by the Outside Date; or
- (3) subject to Section 7.1, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of AMI set forth in this Agreement (other than as set forth in Section 7.2) shall have occurred that would cause the conditions set forth in Section 6.1 or Section 6.2 not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date; provided that JMAC is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 6.1 or Section 6.3 not to be satisfied; or
- (4) AMI is in breach or in default of any of its obligations or covenants set forth in Section 7.2; or
- (5) after the date of this Agreement, a Material Adverse Effect shall have occurred; or
- (6) the Meeting has not occurred on or before the Outside Date, provided that the right to terminate this Agreement pursuant to this Section 8.2(a)(iii)(6) shall not be available to JMAC if the failure by JMAC to fulfil any obligation hereunder is the cause of, or results in, the failure of the Meeting to occur on or before such date; or
- (7) AMI enters into a legally binding agreement relating to a Superior Proposal; or

(iv) by AMI, if:

- (1) AMI enters into a legally binding agreement with respect to a Superior Proposal; provided that concurrently with such termination, AMI pays the Termination Fee payable pursuant to Section 7.4; or
- (2) any of the conditions set forth in Section 6.1 or Section 6.3 is not satisfied, and such condition is incapable of being satisfied by the Outside Date; or

- (3) subject to Section 7.1, a breach of any representation or warranty or failure to perform any covenant or agreement on the part of JMAC set forth in this Agreement shall have occurred that would cause the conditions set forth in Section 6.1 or Section 6.3 not to be satisfied, and such conditions are incapable of being satisfied by the Outside Date; provided that AMI is not then in breach of this Agreement so as to cause any of the conditions set forth in Section 6.1 or Section 6.2 not to be satisfied.
- (b) The Party desiring to terminate this Agreement pursuant to this Section 8.2 (other than pursuant to Section 8.2(a)(i)) shall give prompt written notice of such termination to the other Party.
- (c) If this Agreement is terminated pursuant to this Section 8.2, this Agreement shall become void and of no effect without liability of any Party (or any shareholder, director, officer, employee, agent, consultant or representative of such Party) to the other Party hereto, except as otherwise expressly contemplated hereby, and provided that the provisions of this Section 8.2(c) and Sections 5.6 (solely with respect to cost reimbursement and indemnification), 7.4, 7.5(b), 9.1, 9.3, 9.6 and 9.7 and the provisions of the Confidentiality Agreement shall survive any termination hereof pursuant to Section 8.2(a); provided further that neither the termination of this Agreement nor anything contained in this Section 8.2 shall relieve a Party from any liability arising prior to such termination. If this Agreement is terminated pursuant to Section 8.1 because of the occurrence of the Effective Time, the provisions of Section 7.6 shall survive such termination for a period of three years.

8.3 Amendment

This Agreement and the Plan of Arrangement may, at any time and from time to time before or after the holding of the Meeting but not later than the Effective Time, be amended by mutual written agreement of the Parties, and any such amendment may, subject to the Interim Order and the Final Order and applicable Law, without limitation:

- (a) change the time for performance of any of the obligations or acts of the Parties;
- (b) waive any inaccuracies or modify any representation or warranty contained herein or in any document delivered pursuant hereto;
- (c) waive compliance with or modify any of the covenants herein contained and waive or modify performance of any of the obligations of the Parties; or
- (d) waive compliance with or modify any mutual conditions precedent herein contained.

8.4 Waiver

Any Party may: (a) extend the time for the performance of any of the obligations or acts of the other Party; (b) waive compliance, except as provided herein, with any of the other Party's agreements or the fulfilment of any conditions to its own obligations contained herein; or (c) waive inaccuracies in any of the other Party's representations or warranties contained herein or in any document delivered by the other Party; *provided, however*, that any such extension or waiver shall be valid only if set forth in an instrument

in writing signed on behalf of such Party and, unless otherwise provided in the written waiver, will be limited to the specific breach or condition waived.

ARTICLE 9 GENERAL PROVISIONS

9.1 Privacy

Each Party shall comply with applicable privacy Laws in the course of collecting, using and disclosing personal information about an identifiable individual (the "**Transaction Personal Information**"). Neither Party shall disclose Transaction Personal Information to any person other than to its advisors who are evaluating and advising on the transactions contemplated by this Agreement. Should Transaction Personal Information be required to be transferred to a service provider outside Canada, AMI shall notify such individuals pursuant to relevant privacy legislation. If the Arrangement is consummated, neither Party shall, following the Effective Date, without the consent of the individuals to whom such Transaction Personal Information relates or as permitted or required by applicable Law, use or disclose Transaction Personal Information:

- (a) for purposes other than those for which such Transaction Personal Information was collected prior to the Effective Date; and
- (b) for purposes which do not relate directly to the carrying on the business of such Party or to the carrying out of the purposes for which the transactions contemplated by this Agreement were implemented.

Each Party shall protect and safeguard the Transaction Personal Information against unauthorized collection, use or disclosure. Each Party shall cause its advisors to observe the terms of this Section 9.1 and to protect and safeguard Transaction Personal Information in their possession. If this Agreement shall be terminated, each Party shall promptly deliver to the other Party all Transaction Personal Information in its possession or in the possession of any of its advisors, including all copies, reproductions, summaries or extracts thereof.

9.2 Notices

All notices and other communications given or made pursuant hereto shall be in writing and shall be deemed to have been duly given or made as of the date delivered or sent if delivered personally or by e-mail transmission, or as of the following business day if sent by prepaid overnight courier, to the Parties at the following addresses (or at such other addresses as shall be specified by any Party by notice to the other given in accordance with these provisions):

- (a) if to JMAC:

JMAC Energy Services LLC
1505 North Miller St. #260
Wenatchee, WA, 98801
USA

Attention: Jon McCreary
Email: [REDACTED]

with a copy (which shall not constitute notice) to:

Field LLP
444 – 7th Avenue SW, Suite 400
Calgary, AB T2P 0X8

Attention: Melissa Cook
Email: mcook@fieldlaw.com

(b) if to AML:

Athabasca Minerals Inc.
407 2 Street SW, Suite 1730
Calgary, AB T2P 2Y3

Attention: Dana Archibald, Chief Executive Officer
Email: [REDACTED]

with a copy (which shall not constitute notice) to:

Fasken Martineau DuMoulin LLP
350 – 7th Avenue SW, Suite 3400
Calgary, AB T2P 3N9

Attention: Sarah Gingrich
Email: sgingrich@fasken.com

9.3 Governing Law; Waiver of Jury Trial

This Agreement shall be governed, including as to validity, interpretation and effect, by the Laws of the Province of Alberta and the Laws of Canada applicable therein. Each of the Parties hereby irrevocably attorns to the non-exclusive jurisdiction of the Courts of the Province of Alberta in respect of all matters arising under and in relation to this Agreement. EACH PARTY TO THIS AGREEMENT HEREBY WAIVES ANY RIGHT TO TRIAL BY JURY IN ANY LEGAL PROCEEDING (WHETHER BASED ON CONTRACT, TORT OR OTHERWISE) ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY OR THE ACTIONS OF THE PARTIES IN THE NEGOTIATION, ADMINISTRATION, PERFORMANCE AND ENFORCEMENT OF THIS AGREEMENT.

9.4 Injunctive Relief

Subject to Section 7.4, the Parties agree that irreparable harm would occur for which monetary damages would not be an adequate remedy at Law in the event that any of the provisions of this Agreement were not performed in accordance with their specific terms or were otherwise breached. It is accordingly agreed that the Parties shall be entitled to seek an injunction or injunctions and other equitable relief to prevent breaches of this Agreement, any requirement for the securing or posting of any bond in connection with the obtaining of any such injunctive or other equitable relief hereby being waived.

9.5 Time of Essence

Time shall be of the essence in this Agreement.

9.6 Entire Agreement and Binding Effect

This Agreement (including the exhibits and schedules hereto, the Disclosure Letter) and the Confidentiality Agreement constitute the entire agreement, and supersedes all other prior agreements and understandings, both written and oral, between the Parties, or any of them, with respect to the subject matter hereof and thereof, including, without limitation, the letter of intent between AMI and JMAC dated June 30, 2023, and, except as expressly provided herein, this Agreement is not intended to and shall not confer upon any person other than the Parties any rights or remedies hereunder.

9.7 Severability

If any term or other provision of this Agreement is invalid, illegal or incapable of being enforced by any rule or Law or public policy, all other conditions and provisions of this Agreement shall nevertheless remain in full force and effect so long as the economic or legal substance of the transactions contemplated hereby is not affected in any manner materially adverse to any Party. Upon such determination that any term or other provision is invalid, illegal or incapable of being enforced, the Parties shall negotiate in good faith to modify this Agreement so as to effect the original intent of the Parties as closely as possible in an acceptable manner to the end that the transactions contemplated hereby are fulfilled to the fullest extent possible.

9.8 Counterparts, Execution

This Agreement may be executed in two or more counterparts, each of which shall be deemed to be an original but all of which together shall constitute one and the same instrument. The Parties shall be entitled to rely upon delivery of an executed facsimile or similar executed electronic copy of this Agreement, and such facsimile or similar executed electronic copy shall be legally effective to create a valid and binding agreement between the Parties.

9.9 No Contra Proferentem

This Agreement has been reviewed by each Party's professional advisors, and revised during the course of negotiations between the Parties. Each Party acknowledges that this Agreement is the product of their joint efforts, that it expresses their agreement, and that, if there is any ambiguity in any of its provisions, no rule of interpretation favouring one Party over another based on authorship will apply.

9.10 Successors and Assigns

The provisions of this Agreement will be binding upon and enure to the benefit of the Parties and their respective heirs, administrators, executors, legal representatives, successors and permitted assigns, provided that no Party may assign, delegate or otherwise transfer any of its rights, interests or obligations under this Agreement without the prior written consent of the other Parties, provided that JMAC may assign all or part of its right under this Agreement to, and its obligations under this Agreement may be assumed by, any of its affiliates, provided that if such assignment and/or assumption takes place, JMAC and any such affiliate shall continue to be liable jointly and severally with such affiliate for all of its obligations hereunder.

9.11 Language

The Parties expressly acknowledge that they have requested that this Agreement and all ancillary and related documents thereto be drafted in the English language only. Les Parties aux présentes

reconnaissent avoir exigé que la présente entente et tous les documents qui y sont accessoires soient rédigés en anglais seulement.

[The remainder of this page has been intentionally left blank.]

IN WITNESS WHEREOF JMAC and AMI have caused this Agreement to be executed as of the date first written above by their respective manager, in the case of JMAC, and officer, in the case of AMI thereunto duly authorized.

JMAC ENERGY SERVICES LLC

By: (Signed) "Jon McCreary"

Name: Jon McCreary

Title: Chief Executive Officer

ATHABASCA MINERALS INC.

By: _____

Name: Dana Archibald

Title: Chief Executive Officer

IN WITNESS WHEREOF JMAC and AMI have caused this Agreement to be executed as of the date first written above by their respective manager, in the case of JMAC, and officer, in the case of AMI thereunto duly authorized.

JMAC ENERGY SERVICES LLC

By: _____
Name: Jon McCreary
Title: Chief Executive Officer

ATHABASCA MINERALS INC.

By: (Signed) "*Dana Archibald*" _____
Name: Dana Archibald
Title: Chief Executive Officer

**SCHEDULE A
TO THE ARRANGEMENT AGREEMENT**

**PLAN OF ARRANGEMENT
UNDER SECTION 193 OF THE
*BUSINESS CORPORATIONS ACT (ALBERTA)***

(see attached)

**PLAN OF ARRANGEMENT UNDER SECTION 193
OF THE
BUSINESS CORPORATIONS ACT (ALBERTA)**

**ARTICLE 1
DEFINITIONS AND INTERPRETATION**

- 1.1 Unless indicated otherwise, any capitalized term used herein but not defined shall have the meaning given to it in the Agreement and the following terms shall have the respective meanings set out below (and grammatical variations of such terms shall have corresponding meanings):
- (a) **“Agreement”** means the arrangement agreement made as of September 20, 2023 between JMAC (as defined herein) and AMI, as supplemented, modified or amended from time to time in accordance with its terms;
 - (b) **“Articles of Arrangement”** means the articles of arrangement of AMI giving effect to the Arrangement, required under subsection 193(4.1) of the ABCA to be filed with the Registrar after the Final Order has been granted, which shall be in a form and content satisfactory to the Parties, acting reasonably;
 - (c) **“Business Day”** means any day, other than a Saturday, a Sunday or statutory or civic holiday in Calgary, Alberta;
 - (d) **“Certificate”** means the certificate or other proof of filing to be issued by the Registrar pursuant to subsection 193(11) of the ABCA giving effect to the Arrangement;
 - (e) **“Dissenting Shareholder”** means a registered Shareholder who validly exercises its Dissent Rights pursuant to Article 4 of this Plan of Arrangement and the Interim Order, and has not withdrawn, or been deemed to have withdrawn, such exercise of Dissent Rights immediately prior to the Effective Time;
 - (f) **“Letter of Transmittal”** means the letter of transmittal to be used by former registered Shareholders to surrender their certificate or certificates (as applicable) which, immediately prior to the Effective Time, represented outstanding AMI Shares to the Depositary and pursuant to which they will receive, on completion of the Arrangement, in exchange for each AMI Share, the Consideration;
 - (g) **“JMAC”** means JMAC Energy Services LLC or any Person related to JMAC Energy Services LLC, as applicable;
 - (h) **“Person”** includes an individual, partnership, association, body corporate, trustee, executor, administrator, legal representative, government (including any Governmental Entity) or any other entity, whether or not having legal status; and
 - (i) **“Registrar”** has the meaning ascribed to such term in the ABCA.
- 1.2 **Interpretation Not Affected by Headings, Etc.**

The division of this Plan of Arrangement into articles, sections and subsections and the insertion of headings are for convenience of reference only and does not affect the construction or interpretation of this Plan of Arrangement.

1.3 Article References

Unless the contrary intention appears, references in this Plan of Arrangement to an Article, Section, subsection or paragraph by number or letter or both refer to the Article, Section, subsection or paragraph, respectively, bearing that designation in this Plan of Arrangement.

1.4 Number and Gender

Words importing the singular number include the plural and vice versa, and words importing the use of any gender include all genders. If a word is defined in this Plan of Arrangement a grammatical derivative of that word shall have a corresponding meaning.

1.5 Date for Any Action

If any date on which any action is required to be taken hereunder by any of the Parties is not a Business Day in the place where an action is required to be taken, such action is required to be taken on the next succeeding day which is a Business Day in such place.

1.6 Statutory References

Any reference in this Plan of Arrangement to any statute or section thereof shall, unless otherwise expressly stated, be deemed to be a reference to any regulations promulgated thereunder from time to time in effect and such statute or section (or regulations thereunder) as amended, restated or re-enacted from time to time.

1.7 Currency

Unless otherwise stated, all references in this Plan of Arrangement to sums of money are expressed in lawful money of Canada.

1.8 Time References

References to time are to local time, Calgary, Alberta.

**ARTICLE 2
EFFECT OF THE ARRANGEMENT**

2.1 This Plan of Arrangement is made pursuant to the Agreement and is subject to the provisions of, and forms part of, the Agreement.

2.2 This Plan of Arrangement and the Arrangement, upon the filing of the Articles of Arrangement and the issuance of the Certificate, shall become effective at, and be binding upon: (a) all registered and beneficial Shareholders (including Dissenting Shareholders); (b) all AMI Optionholders; (c) all AMI DSU Holders; (d) AMI; (e) JMAC Energy Services LLC; (f) the Depositary;

and (g) all other Persons, without any further act or formality required on the part of any Person except as expressly provided herein, as and from the Effective Time.

- 2.3 The Articles of Arrangement shall be filed with the Registrar with the purpose and intent that none of the provisions of this Plan of Arrangement shall become effective unless all of the provisions of this Plan of Arrangement shall have become effective in the sequence provided herein. The Certificate shall be conclusive evidence that the Arrangement has become effective and that each of the events or transactions set out in Section 3.1 shall have become effective in the sequence and at the time set out therein. If no Certificate is required to be issued by the Registrar pursuant to section 193(11) of the ABCA, the Arrangement shall become effective commencing at the Effective Time on the date the Articles of Arrangement are filed with the Registrar pursuant to section 193(12) of the ABCA.

ARTICLE 3 ARRANGEMENT

- 3.1 Commencing at the Effective Time, each of the steps, events or transactions set out below shall occur and shall be deemed to occur sequentially in the order set out below without any further authorization, act or formality, in each case, unless stated otherwise, effective as at five minute intervals starting at the Effective Time (provided that none of the following shall occur unless all of the following occur):

Treatment of the AMI Restricted Share Unit Plan and the AMI Share Purchase Plan

- (a) notwithstanding the terms of the AMI Restricted Share Unit Plan, and there being no AMI RSUs outstanding under the AMI Restricted Share Unit Plan, the AMI Restricted Share Unit Plan shall be terminated and cease to have any further force or effect, and no AMI RSUs shall be outstanding;
- (b) notwithstanding the terms of the AMI Share Purchase Plan, and there being no participants or AMI Shares outstanding under the AMI Share Purchase Plan, the AMI Share Purchase Plan shall be terminated and cancelled, and no AMI Shares shall be outstanding thereunder;

Treatment of AMI DSUs

- (c) in accordance with the AMI Deferred Share Unit Plan, the AMI Board has accelerated the vesting of all AMI DSUs to the date and time immediately prior to the Effective Time, and as contemplated by Section 6.1(a) of the AMI Deferred Share Unit Plan, each whole AMI DSU shall be acquired by AMI for an amount equal to the Consideration, payable in cash (less the amount of applicable withholdings in accordance with Section 3.3). Immediately following the acquisition of all AMI DSUs by AMI, the AMI Deferred Share Unit Plan shall be terminated and all obligations in respect of the AMI DSUs shall be deemed to be fully satisfied and the holders thereof shall cease to have any rights or claims in respect thereof other than the right to receive the Consideration contemplated under this Plan of Arrangement;

Treatment of AMI Options

- (d) notwithstanding the terms of the AMI Option Plan or any applicable award agreements in relation thereto, the AMI Option Plan shall be terminated and each AMI Option, whether vested or unvested, that has not, prior to the Effective Time, been exercised or terminated in accordance with its terms shall, without any further action or formality on behalf of the holder thereof and AMI and without any payment by such AMI Optionholder, be deemed to be transferred to AMI as follows:
 - (i) in respect of each AMI Option outstanding at the Effective Time, whether vested or unvested, that has an exercise price that is less than the Consideration, the applicable AMI Option shall be deemed to be terminated and cancelled in exchange for, subject to Section 3.3, an amount equal to the amount by which the Consideration exceeds the exercise price thereof, payable in cash to the AMI Optionholder in accordance with Section 5.1(a)(ii) in full satisfaction of AMI's obligations under such surrendered AMI Option; and
 - (ii) in respect of each AMI Option outstanding at the Effective Time, whether vested or unvested, that has an exercise price that is equal to or greater than the Consideration, the applicable AMI Option shall be deemed to be terminated and cancelled in exchange for, subject to Section 3.3, an amount equal to \$0.01, payable in cash to the AMI Optionholder in accordance with Section 5.1(a)(ii) in full satisfaction of AMI's obligations under such terminated and cancelled AMI Option,

whereupon all AMI Options shall be, and shall be deemed to be, cancelled by AMI, all obligations in respect of the AMI Options shall be deemed to be fully satisfied, and the holders thereof shall cease to have any rights or claims in respect thereof other than the right to receive the consideration contemplated under this Plan of Arrangement;

Dissenting Shareholders

- (e) each AMI Share held by a registered Shareholder who has validly exercised and not withdrawn Dissent Rights described in Section 4.1 shall be transferred by the holder thereof to AMI in exchange for the amount determined in accordance with Sections 4.2 and 4.3; and

Acquisition of AMI Shares by JMAC

- (f) each outstanding AMI Share (other than an AMI Share held by a registered Shareholder who has validly exercised and not withdrawn Dissent Rights described in Section 3.1(e) or an AMI Share owned by JMAC) shall be transferred to JMAC in exchange for, subject to Section 3.3, a cash payment to the holder equal to the Consideration.

3.2 Securities Register

With respect to each Shareholder (other than Dissenting Shareholders and JMAC), at the effective time of Section 3.1(f):

- (a) such Shareholder shall cease to be a holder of the AMI Shares so transferred and to have any rights or claims as a holder of such AMI Shares other than the right to receive a cash payment pursuant to Section 3.1(f);
- (b) such Shareholder's name shall be removed from the register of holders of AMI Shares maintained by or on behalf of AMI as it relates to the AMI Shares so transferred; and
- (c) JMAC shall become the holder of the AMI Shares so transferred and shall be added to the register of holders of AMI Shares maintained by or on behalf of AMI.

3.3 **Withholding**

AMI, JMAC and the Depositary shall be entitled to deduct or withhold from any amounts payable to any Person under this Plan of Arrangement (including, without limitation, any amounts payable pursuant to Section 4.2), such amounts as AMI, JMAC or the Depositary, as applicable, determines, acting reasonably, are required to be deducted or withheld with respect to such payment under the Tax Act or any provision of any other applicable Laws. To the extent that amounts are so deducted or withheld, such deducted or withheld amounts shall be treated for all purposes hereof as having been paid to the Persons in respect of which such deduction or withholding was made, provided that such deducted or withheld amounts are actually remitted to the appropriate Governmental Entity.

3.4 **Transfer Free and Clear**

Any transfer or exchange of securities pursuant to this Plan of Arrangement shall be free and clear of any Liens, encumbrances or claims.

ARTICLE 4 DISSENTING SHAREHOLDERS

- 4.1 Each registered Shareholder shall have the right to dissent with respect to the Arrangement in accordance with section 191 of the ABCA, as modified by the Interim Order and this Article 4; provided that, notwithstanding subsection 191(5) of the ABCA, the written objection to the Arrangement Resolution referred to in subsection 191(5) of the ABCA must be received by AMI from the Dissenting Shareholder not later than 4:00 p.m. (Calgary time) on the date that is five Business Days prior to the date of the Meeting.
- 4.2 Subject to Section 4.4, each Dissenting Shareholder shall, concurrently with the step contemplated in Section 3.1(e), cease to have any rights as a holder of AMI Shares and shall only be entitled to be paid by AMI the fair value of such holder's AMI Shares net of all withholding or other taxes required to be withheld by AMI or JMAC in accordance with applicable Laws, to the extent applicable. A Dissenting Shareholder who is entitled to be paid by AMI the fair value of such holder's AMI Shares shall, pursuant to Section 3.1(e), be deemed to have transferred such holder's AMI Shares (free and clear of any Liens) to AMI for cancellation without any further act or formality at the effective time of Section 3.1(e) notwithstanding the provisions of section 191 of the ABCA.

- 4.3 The fair value of the AMI Shares held by a Dissenting Shareholder shall be determined as of the close of business on the last Business Day before the day on which the Arrangement Resolution is approved by the Securityholders at the Meeting.
- 4.4 A Dissenting Shareholder who for any reason is not ultimately entitled to be paid the fair value of such holder's AMI Shares shall be deemed to have participated in the Arrangement, commencing as of the Effective Time, on the same basis as a non-dissenting holder of AMI Shares, notwithstanding the provisions of section 191 of the ABCA, and such Dissenting Shareholder shall be entitled to receive only the consideration contemplated in Section 3.1(f) of this Plan of Arrangement that such holder would have received pursuant to the Arrangement if such holder had not exercised Dissent Rights.
- 4.5 In no event shall AMI, JMAC or any other Person be required to recognize any Dissenting Shareholder as a Shareholder after the effective time of the transfer of the AMI Shares to JMAC pursuant to Section 3.1(e) and the names of such holders shall be removed from the register of holders of AMI Shares maintained by or on behalf of AMI as at the Effective Time.
- 4.6 For greater certainty, in addition to any other restrictions in section 191 of the ABCA: (a) no Person who has voted (including by way of instructing a proxy holder to vote) in favour of the Arrangement shall be entitled to exercise Dissent Rights; (b) voting against the Arrangement (including by way of instructing a proxy holder to vote) will not constitute a written objection referred to in subsection 191(5) of the ABCA; and (c) a Person may only exercise Dissent Rights in respect of all, and not less than all, of its AMI Shares.

ARTICLE 5

CONSIDERATION, CERTIFICATES AND FRACTIONAL SHARES

5.1 Right to Consideration

- (a) On or as soon as practicable after the Effective Time:
 - (i) the Depositary shall pay to the former Shareholders other than JMAC, the Consideration to which they are entitled in accordance with Section 3.1(f); and
 - (ii) AMI shall pay to the AMI DSU Holders and AMI Optionholders the consideration to which they are entitled in accordance with Sections 3.1(c) and 3.1(d), less applicable withholdings.
- (b) If the aggregate Consideration which a former Shareholder is entitled to receive pursuant to Section 3.1(f) would otherwise include a fraction of \$0.01, then the aggregate Consideration to which such former Shareholder shall be entitled to receive shall be rounded down to the nearest whole \$0.01.
- (c) If the aggregate Consideration which a AMI DSU Holder is entitled to receive pursuant to Section 3.1(c) would otherwise include a fraction of \$0.01, then the aggregate Consideration to which such AMI DSU Holder shall be entitled to receive shall be rounded down to the nearest whole \$0.01.

- (d) If the aggregate Consideration which a AMI Optionholder is entitled to receive pursuant to Section 3.1(d) would otherwise include a fraction of \$0.01, then the aggregate Consideration to which such AMI Optionholder shall be entitled to receive shall be rounded down to the nearest whole \$0.01.
- (e) The Depositary shall pay the Consideration in respect of those AMI Shares that were transferred or deemed to be transferred, as applicable, pursuant to Section 3.1(f) which are held on a book-entry basis, less any amounts withheld pursuant to Section 3.3, in accordance with normal industry practice for payments relating to securities held on a book-entry only basis. In respect of those AMI Shares not held on a book-entry basis, upon surrender to the Depositary for cancellation of a certificate or certificates (as applicable) which, immediately prior to the Effective Time, represented outstanding AMI Shares that were transferred or deemed to be transferred, as applicable, pursuant to Section 3.1(f), together with a duly completed and executed Letter of Transmittal and such additional documents and instruments as AMI, JMAC or the Depositary may reasonably require, each holder of such surrendered certificate(s) shall be entitled to receive in exchange therefor, and the Depositary shall pay to such holder as directed in the Letter of Transmittal, a cheque (or other form of immediately available funds) in respect of the Consideration which such holder has the right to receive under this Plan of Arrangement for such AMI Shares, less any amounts deducted or withheld pursuant to Section 3.3, and any certificate(s) so surrendered shall forthwith be cancelled.
- (f) From and after the Effective Time, the certificate(s) or agreement(s), as applicable, formerly representing AMI DSUs, AMI Options or AMI Shares shall represent only the right to receive:
 - (i) in the case of each AMI DSU Holder, the portion of the cash consideration the former AMI DSU Holder represented by the certificate or agreement is entitled to receive pursuant to Section 3.1(c);
 - (ii) in the case of each AMI Optionholder, the portion of the cash consideration the former AMI Optionholder represented by the certificate or agreement is entitled to receive pursuant to Section 3.1(d);
 - (iii) in the case of certificates held by Dissenting Shareholders, other than those Dissenting Shareholders deemed to have participated in the Arrangement pursuant to Section 4.4, the fair value of the AMI Shares represented by such certificates from AMI as provided for in the Interim Order and Section 4.2; and
 - (iv) in the case of certificates held by all other Shareholders other than JMAC, a cash payment pursuant to Section 3.1(f), subject to such former Shareholder validly depositing with the Depositary, as contemplated by Section 5.1(b), the certificates representing its AMI Shares, a duly completed and executed Letter of Transmittal and such additional documents and instruments as the Depositary may reasonably require,

in each case, less any amounts deducted or withheld pursuant to Section 3.3.

- (g) Any certificate formerly representing AMI Shares that is not deposited, together with all other documents required hereunder, on or before the last Business Day prior to the sixth anniversary of the Effective Date and any right or claim to receive the Consideration that remains outstanding on such day shall cease to represent a claim by or interest of any former Shareholder of any kind or nature against AMI or JMAC. On such date, all consideration and other property to which such former Shareholder was entitled shall be deemed to have been surrendered and forfeited to JMAC for no consideration.
- (h) From and after the Effective Time, no Shareholder (other than JMAC), AMI Optionholder or AMI DSU Holder shall be entitled to receive any consideration with respect to such AMI Shares, AMI Options or AMI DSUs, as applicable, other than the Consideration to which such holder is entitled to receive under the Arrangement and, for greater certainty, no such holder will be entitled to receive any interest, dividend, premium or other payment in connection therewith.

5.2 **Lost Certificates**

In the event any certificate which immediately prior to the Effective Time represented an interest in one or more AMI Shares that were transferred pursuant to Section 3.1 has been lost, stolen or destroyed, upon satisfying such reasonable requirements as may be imposed by JMAC and the Depositary in relation to the issuance of replacement share certificates, the Depositary will issue and deliver in exchange for such lost, stolen or destroyed certificate the Consideration to which the holder is entitled pursuant to this Plan of Arrangement as determined in accordance with the Arrangement. The Person who is entitled to receive such Consideration shall, as a condition precedent to the receipt thereof, give a bond satisfactory to each of JMAC and the Depositary in such form as is satisfactory to JMAC and the Depositary (each acting reasonably), or shall otherwise indemnify AMI, JMAC and the Depositary, to the reasonable satisfaction of such parties, against any claim that may be made against any of them with respect to the certificate alleged to have been lost, stolen or destroyed.

ARTICLE 6 AMENDMENTS

- 6.1 AMI and JMAC may amend, modify or supplement this Plan of Arrangement at any time and from time to time prior to the Effective Date, provided that each such amendment, modification or supplement must be:
 - (a) set out in writing;
 - (b) approved in writing by both Parties;
 - (c) filed with the Court and, if made following the Meeting, approved by the Court; and
 - (d) communicated to Shareholders, AMI Optionholders and/or AMI DSU Holders, if and as required by the Court.
- 6.2 Any amendment, modification or supplement to this Plan of Arrangement may be proposed by AMI or JMAC at any time prior to or at the Meeting (provided that the other Party shall have consented in writing prior thereto, acting reasonably), with or without any other prior notice or

communication, and, if so proposed and accepted, in the manner contemplated and to the extent required by the Agreement by the Shareholders and/or AMI Optionholders (other than as may be required by the Interim Order or other order of the Court), shall become part of this Plan of Arrangement for all purposes.

- 6.3 Any amendment, modification or supplement to this Plan of Arrangement that is approved or directed by the Court following the Meeting shall be effective only:
- (a) if it is consented to in writing by each of AMI and JMAC (each acting reasonably); and
 - (b) if required by the Court or applicable Law, it is consented to by the Shareholders and/or AMI Optionholders, voting in a manner directed by the Court.
- 6.4 Any amendment, modification or supplement to this Plan of Arrangement may be made following the Effective Time provided it is consented to in writing by each of JMAC and AMI, and further provided that it concerns a matter which, in the reasonable opinion of each of JMAC and AMI, is of an administrative nature required to better give effect to the implementation of this Plan of Arrangement and is not adverse to the financial or economic interests of any former Shareholder, AMI Optionholder or AMI DSU Holder.

ARTICLE 7 FURTHER ASSURANCES

- 7.1 Notwithstanding that the transactions and events set out herein shall occur and shall be deemed to occur in the order set out in this Plan of Arrangement without any further act or formality, each of JMAC and AMI shall make, do and execute, or cause to be made, done and executed, all such further acts, deeds, agreements, transfers, assurances, instruments or documents as may reasonably be required in order to further document or evidence any of the transactions or events set out herein.
- 7.2 From and after the Effective Time: (a) this Plan of Arrangement shall take precedence and priority over any and all rights related to AMI DSUs, AMI Options and AMI Shares issued prior to the Effective Time and any and all rights related to the AMI Restricted Share Unit Plan or AMI Share Purchase Plan; (b) the rights and obligations of the AMI DSU Holders, AMI Optionholders and Shareholders shall be solely as provided for in this Plan of Arrangement; and (c) all actions, causes of action, claims or proceedings (actual or contingent, and whether or not previously asserted) based on or in any way relating to AMI DSUs, AMI Options or AMI Shares or the AMI Restricted Share Unit Plan or AMI Share Purchase Plan, shall be deemed to have been settled or compromised.
- 7.3 From and after the Effective Time, any conflict between this Plan of Arrangement and the covenants, warranties, representations, terms, conditions, provisions or obligations, express or implied, of any contract or other agreement, written or oral, and any and all amendments or supplements thereto existing between one or more of the AMI DSU Holders, AMI Optionholders and Shareholders and any of AMI, JMAC or any of their respective subsidiaries with respect to the AMI DSUs, the AMI Options or the AMI Shares as at the Effective Time shall be deemed to be governed by the terms, conditions and provisions of this Plan of Arrangement and the Final Order, which shall take precedence and priority.

**SCHEDULE B
TO THE ARRANGEMENT AGREEMENT**

ARRANGEMENT RESOLUTION

BE IT RESOLVED AS A SPECIAL RESOLUTION THAT:

- (a) the arrangement under Section 193 of the *Business Corporations Act* (Alberta) (the "**Arrangement**"), substantially as set forth in the plan of arrangement (the "**Plan of Arrangement**") attached as Schedule "A" to the Arrangement Agreement dated September 20, 2023, between Athabasca Minerals Inc. ("**AMI**") and JMAC Energy Services LLC (the "**Arrangement Agreement**"), is hereby authorized, ratified and approved;
- (b) the Arrangement Agreement, the actions of the directors of AMI (the "**Board**") in approving the Arrangement Agreement and the actions of the directors and officers of AMI in executing and delivering the Arrangement Agreement and any amendments thereto in accordance with its terms are hereby ratified and approved;
- (c) notwithstanding that this resolution has been duly passed by the shareholders of AMI and/or has received the approval of the Court of King's Bench of Alberta, the Board may, without further notice to or approval of the shareholders of AMI, amend or terminate the Arrangement Agreement or the Plan of Arrangement to the extent permitted by the Arrangement Agreement, and subject to the terms of the Arrangement Agreement not proceed with the Arrangement;
- (d) any director or officer of AMI, other than Jon McCreary, is hereby authorized, for and on behalf of AMI, to execute and deliver the articles of arrangement and to execute, with or without the corporate seal, and, if appropriate, deliver all other documents and instruments and to do all other things as in the opinion of such director or officer, other than Jon McCreary, may be necessary or desirable to implement this resolution and the matters authorized hereby, such determination to be conclusively evidenced by the execution and delivery of any such document or instrument, and taking of any such action; and
- (e) all actions taken by or on behalf of AMI in connection with any matters referred to in any of the foregoing resolutions which were in furtherance of the Arrangement are hereby approved, ratified and confirmed in all respects.

**SCHEDULE C
TO THE ARRANGEMENT AGREEMENT**

KEY REGULATORY APPROVALS

Acceptance of the Arrangement from the TSX-V with respect to AMI in accordance with Section 8 of Policy 5.3 of the TSX-V policies.

APPENDIX C
INTERIM ORDER

COURT FILE NUMBER

Clerk's Stamp

COURT Court of King's Bench of Alberta

JUDICIAL CENTRE Edmonton

**IN THE MATTER of Section 193 of the
Business Corporations Act, RSA 2000, c B-9**

MATTER **AND IN THE MATTER of a proposed
arrangement involving Athabasca Minerals
Inc., JMAC Energy Services LLC, and the
securityholders of Athabasca Minerals Inc.**

APPLICANTS **ATHABASCA MINERALS INC.**

RESPONDENTS **NOT APPLICABLE**

DOCUMENT **INTERIM ORDER**

ADDRESS FOR
SERVICE AND
CONTACT
INFORMATION OF
PARTY FILING THIS
DOCUMENT **Fasken Martineau DuMoulin LLP**
Barristers & Solicitors
3400 First Canadian Centre
350 – 7th Avenue S.W.
Calgary, AB T2P 3N9
Attention: Vhari Storwick / Darren Reed
vstorwick@fasken.com / dreed@fasken.com
Telephone: 403.261.7375 / 403.261.6152
Facsimile: 403.261.5351
File No.: 318938.00021

DATE ON WHICH ORDER WAS PRONOUNCED: **October 3, 2023**

LOCATION OF HEARING: **By virtual hearing**

NAME OF JUSTICE WHO GRANTED THIS ORDER: **Justice Burns**

UPON the Originating Application (the “**Originating Application**”) of Athabasca Minerals Inc. (the “**Applicant**” or “**Athabasca**”);

AND UPON reading the Originating Application, the affidavit of David Churchill, Chief Financial Officer of Athabasca sworn September 29, 2023 (the “**Affidavit**”), and the documents referred to therein;

AND UPON being advised that notice of the Originating Application has been given to the Registrar of Corporations (the “**Registrar**”) appointed under Section 263 of the *Business Corporations Act*, RSA 2000, c B-9, as amended (the “**ABCA**”);

AND UPON HEARING counsel for the Applicant and counsel for JMAC Energy Services LLC (“**JMAC**”);

FOR THE PURPOSES OF THIS ORDER:

- (a) the capitalized terms not defined in this order (this “**Order**”) shall have the meanings attributed to them in the draft information circular of the Applicant which is attached as Exhibit “A” to the Affidavit; and
- (b) all references to “Arrangement” used herein mean the arrangement as set forth in the plan of arrangement attached as Schedule “A” to the arrangement agreement (the “**Arrangement Agreement**”), which Arrangement Agreement is attached as Appendix B to the information circular of the Applicant (the “**Information Circular**”).

IT IS HEREBY ORDERED THAT:

General

1. The Applicant shall seek approval of the Arrangement as described in the Information Circular by the holders of common shares of Athabasca (the “**Shareholders**”) and the holders of options to purchase common shares of Athabasca (the “**Optionholders**”, together with the Shareholders, the “**Securityholders**”) in the manner set forth below.

The Meeting

2. The Applicant shall call and conduct a special meeting of Securityholders (the “**Meeting**”) on or about November 3, 2023. At the Meeting, the Securityholders will consider and vote

upon a resolution to approve the Arrangement substantially in the form attached as Appendix A to the Information Circular (the “**Arrangement Resolution**”) and such other business as may properly be brought before the Meeting or any adjournment or postponement thereof, all as more particularly described in the Information Circular.

3. A quorum at the Meeting shall be at least two persons present in person, each being a Shareholder entitled to vote at the Meeting or a duly appointed proxyholder, and together holding or representing by proxy no less than 10% of the outstanding Athabasca Shares carrying voting rights at the Meeting.
4. Each Athabasca Share entitled to be voted at the Meeting will entitle the Shareholder to one vote at the Meeting in respect of the Arrangement Resolution and any other matters to be considered at the Meeting.
5. Each Athabasca Option entitled to be voted at the Meeting will entitle the Optionholder to one vote at the Meeting in respect of the Arrangement Resolution.
6. The record date for Securityholders entitled to receive notice of and vote at the Meeting shall be September 29, 2023 (the “**Record Date**”). Only Securityholders whose names have been entered on the securities register of Athabasca as at the close of business on the Record Date will be entitled to receive notice of and vote at the Meeting provided that, to the extent a Shareholder transfers the ownership of any Athabasca Shares after the Record Date and the transferee of those Athabasca Shares produces properly endorsed certificates or otherwise establishes ownership of such Athabasca Shares and demands, at least 10 days before the Meeting, to be included on the list of Securityholders entitled to vote at the Meeting, such transferee will be entitled to vote those Athabasca Shares at the Meeting. Optionholders are not permitted to transfer their Athabasca Options.
7. The Record Date for Securityholders entitled to notice of and to vote at the Meeting will not, unless agreed to in writing by JMAC and Athabasca, change in respect of any postponement or adjournment of the Meeting.
8. The Meeting shall be called, held and conducted in accordance with the applicable provisions of the ABCA, the articles and by-laws of the Applicant in effect at the relevant time, the Information Circular, the rulings and directions of the chairman of the Meeting,

this Order and any further order of this Court. To the extent that there is any inconsistency or discrepancy between this Order and the ABCA or the articles or by-laws of the Applicant, the terms of this Order shall govern.

Conduct of the Meeting

9. The only persons entitled to attend the Meeting shall be Securityholders or their authorized proxyholders, the Applicant's directors and officers, the Applicant's auditors and such other persons who may be permitted to attend by the chairman of the Meeting.
10. The number of votes required to pass the Arrangement Resolution shall be:
 - (a) 66 $\frac{2}{3}$ % of the votes cast by all Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat;
 - (b) 66 $\frac{2}{3}$ % of the votes cast by all Securityholders (voting as a single class), present in person or represented by proxy at the Meeting and entitled to vote thereat; and
 - (c) a majority of the votes cast by Shareholders, present in person or represented by proxy at the Meeting and entitled to vote thereat, after excluding the votes cast by persons whose votes may not be included in determining minority approval pursuant to Multilateral Instrument 61-101 – *Protection Of Minority Security Holders In Special Transactions*.
11. Subject to the terms of this Order, the terms, conditions and restrictions of Athabasca's constating documents, including quorum requirements and other matters, shall apply in respect of the Meeting.
12. To be valid, a proxy must be deposited with TSX Trust Company in the manner described in the Information Circular.
13. Any proxy that is properly signed and dated but which does not contain voting instructions shall be deemed to be voted for the Arrangement Resolution.
14. The accidental omission to give notice of the Meeting or the non-receipt of the notice shall not invalidate any resolution passed or proceedings taken at the Meeting.

15. The Applicant is authorized to adjourn or postpone the Meeting on one or more occasions (whether or not a quorum is present, if applicable) and for such period or periods of time as the Applicant deems advisable, without the necessity of first convening the Meeting or first obtaining any vote of the Securityholders or Court approval in respect of the adjournment or postponement. Notice of such adjournment or postponement may be given by such method as the Applicant determines is appropriate in the circumstances. If the Meeting is adjourned or postponed in accordance with this Order, the references to the Meeting in this Order shall be deemed to be the Meeting as adjourned or postponed, as applicable.
16. The chairman of the Meeting shall be the chairman or, in his absence, the Chief Executive Officer, or in his absence, the Chief Financial Officer. If no such officer is present within fifteen minutes from the time fixed for holding the meeting, the persons present and entitled to vote shall choose one of their number to be chairman.

Amendments to the Arrangement

17. The Applicant and JMAC are authorized to make such amendments, revisions or supplements to the Plan of Arrangement as they may together determine necessary or desirable, provided that such amendments, revisions or supplements are made in accordance with and in the manner contemplated by the Plan of Arrangement and the Arrangement Agreement. The Plan of Arrangement so amended, revised or supplemented shall be deemed to be the Arrangement submitted to the Meeting and the subject of the Arrangement Resolution, without need to return to this Court to amend this Order.

Amendments to Meeting Materials

18. The Applicant is authorized to make such amendments, revisions or supplements (“**Additional Information**”) to the Information Circular, form of proxy (“**Proxy**”), notice of the Meeting (“**Notice of Meeting**”), form of letter of transmittal (“**Letter of Transmittal**”) and notice of Originating Application (“**Notice of Originating Application**”) as it may determine, and the Applicant may disclose such Additional Information, including material changes, by the method and in the time most reasonably practicable in the circumstances as determined by the Applicant. Without limiting the generality of the foregoing, if any material change or material fact arises between the date

of this Order and the date of the Meeting, which change or fact, if known prior to mailing of the Information Circular, would have been disclosed in the Information Circular, then:

- (a) the Applicant shall advise the Securityholders of the material change or material fact by disseminating a news release (a “**News Release**”) in accordance with applicable securities laws and the policies of the TSX Venture Exchange; and
- (b) provided that the News Release describes the applicable material change or material fact in reasonable detail, the Applicant shall not be required to deliver an amendment to the Information Circular to the Securityholders or otherwise give notice to the Securityholders of the material change or material fact other than dissemination and filing of the News Release as aforesaid.

Dissent Rights

- 19. The registered Shareholders are, subject to the provisions of this Order and the Plan of Arrangement, accorded the right to dissent under Section 191 of the ABCA with respect to the Arrangement Resolution and the right to be paid the fair value of their Athabasca Shares by JMAC in respect of which such right to dissent was validly exercised.
- 20. In order for a registered Shareholder (a “**Dissenting Shareholder**”) to exercise such right to dissent under Section 191 of the ABCA:
 - (a) the Dissenting Shareholder’s written objection to the Arrangement Resolution must be received by the Applicant, care of its solicitors, not later than 4:00 p.m. (Calgary time) on October 27, 2023 or 4:00 p.m. (Calgary time) on the day that is five business days immediately preceding the date that any adjournment or postponement of the Meeting is reconvened or held, as the case may be;
 - (b) a vote against the Arrangement Resolution, whether in person or by proxy, shall not constitute a written objection to the Arrangement Resolution as required under paragraph 20(a) herein;
 - (c) a Dissenting Shareholder shall not have voted their Athabasca Shares at the Meeting, either by proxy or in person, for the Arrangement Resolution;

- (d) a Dissenting Shareholder may not exercise the right to dissent in respect of only a portion of the Dissenting Shareholder's Athabasca Shares, but may dissent only with respect to all of the Athabasca Shares held by the Dissenting Shareholder; and
 - (e) the exercise of such right to dissent must otherwise comply with the requirements of Section 191 of the ABCA, as modified and supplemented by this Order and the Plan of Arrangement.
21. The fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Plan of Arrangement shall be determined as of the close of business on the last business day before the day on which the Arrangement Resolution is approved by the Securityholders and shall be paid to the Dissenting Shareholders by JMAC as contemplated by the Plan of Arrangement and this Order.
22. Dissenting Shareholders who validly exercise their right to dissent, as set out in paragraphs 19 and 20 above, and who:
- (i) are determined to be entitled to be paid the fair value of their Athabasca Shares, shall be deemed to have transferred such Athabasca Shares as of the effective time of the Arrangement (the "**Effective Time**"), without any further act or formality and free and clear of all liens, claims and encumbrances to JMAC in exchange for the fair value of the Athabasca Shares; or
 - (ii) are, for any reason (including, for clarity, any withdrawal by any Dissenting Shareholder of their dissent) determined not to be entitled to be paid the fair value for their Athabasca Shares shall be deemed to have participated in the Arrangement on the same basis as a non-dissenting Shareholder and such Athabasca Shares will be deemed to be exchanged for the consideration paid under the Plan of Arrangement,
- but in no event shall the Applicant, JMAC or any other person be required to recognize such Shareholders as holders of Athabasca Shares after the Effective Time, and the names of such Shareholders shall be removed from the securities register of the Applicant.

23. Subject to further order of this Court, the rights available to Shareholders under the ABCA and the Plan of Arrangement to dissent from the Arrangement Resolution shall constitute full and sufficient dissent rights for the Shareholders with respect to the Arrangement Resolution.
24. Notice to the Shareholders of their right to dissent with respect to the Arrangement Resolution and to receive, subject to the provisions of the ABCA and the Plan of Arrangement, the fair value of the consideration to which a Dissenting Shareholder is entitled pursuant to the Plan of Arrangement shall be sufficiently given by including information with respect to this right as set forth in the Information Circular which is to be sent to Shareholders in accordance with paragraph 25 of this Order.

Notice

25. The Information Circular, substantially in the form attached as Exhibit “A” to the Affidavit, with such amendments thereto as legal counsel to the Applicant may determine necessary or desirable (provided such amendments are not inconsistent with the terms of this Order), and including the Notice of Meeting, the Proxy, the Notice of Originating Application, the Letter of Transmittal and this Order, together with any other communications or documents determined by the Applicant to be necessary or advisable (collectively, the “**Meeting Materials**”), shall be sent to those Securityholders who hold Athabasca Shares and Athabasca Options, as of the Record Date, the directors of the Applicant, the auditors of the Applicant and the Registrar by one or more of the following methods:
 - (a) in the case of registered Securityholders, by pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to each such holder at their address, as shown on the books and records of the Applicant as of the Record Date, not later than 21 days prior to the date of the Meeting;
 - (b) in the case of non-registered Securityholders, by providing sufficient copies of the Meeting Materials to intermediaries, in accordance with National Instrument 54-101 – *Communication With Beneficial Owners of Securities of a Reporting Issuer*;
 - (c) in the case of the directors and auditors of the Applicant, by email, pre-paid first class or ordinary mail, by courier or by delivery in person, addressed to the

individual directors or firm of auditors, as applicable, not later than 21 days prior to the date of the Meeting; and

- (d) in the case of the Registrar, by email at corp.reg@gov.ab.ca, by courier or by delivery in person, addressed to the Registrar not later than 21 days prior to the date of the Meeting.

26. Delivery of the Meeting Materials in the manner directed by this Order shall be deemed to be good and sufficient service upon the Securityholders, the directors of the Applicant, the auditors of the Applicant and the Registrar of:

- (a) the Originating Application;
- (b) this Order;
- (c) the Notice of Meeting; and
- (d) the Notice of Originating Application.

Stay of Proceedings

27. From 12:01 a.m. (Calgary time) on the date of this Order, until and including the earlier of:

- (a) the Effective Date, and
- (b) the date these ABCA proceedings are terminated,

no right, remedy or proceeding, including, without limitation, any right to terminate, demand, accelerate, set off, amend, declare in default or take any other action under or in connection with any loan, note, commitment, contract or other agreement, at law or under contract, may be exercised, commenced or proceeded with by:

- (c) the Applicant having made an application to this Court pursuant to Section 191 of the ABCA;
- (d) the Applicant being a party to or involved in this proceeding, any ancillary proceedings or the Arrangement;

- (e) the Applicant taking any steps contemplated by or related to these proceedings or the Arrangement; or
- (f) the Applicant with respect to any default or cross-default arising under any agreement to which the Applicant is a party, arising as a result of any circumstance listed above,

in each case except with prior written consent of the Applicant or leave of this Court.

Final Application

- 28. Subject to further order of this Court, and provided that the Securityholders have approved the Arrangement in the manner directed by this Court and the directors of the Applicant have not revoked their approval, the Applicant may proceed with an application for a final Order of the Court approving the Arrangement (the “**Final Order**”) on November 7, 2023 at 2:00 p.m. (Edmonton time) or so soon thereafter as counsel may be heard. Subject to the Final Order and to the issuance of proof of filing of the Articles of Arrangement under the ABCA, the Applicant, all Securityholders and all other persons affected will be bound by the Arrangement in accordance with its terms.
- 29. Any Securityholder or other interested party (each an “**Interested Party**”) desiring to appear and make submissions at the application for the Final Order is required to file with this Court and serve upon the Applicant, on or before 12:00 p.m. (Calgary time) on October 27, 2023 (or 12:00 p.m. (Calgary time) on the business day that is five business days prior to the date of the Meeting if it is not held on November 3, 2023), a notice of intention to appear (“**Notice of Intention to Appear**”) including the Interested Party’s address for service (or alternatively, a facsimile number for service by facsimile or an email address for service by electronic mail), indicating whether such Interested Party intends to support or oppose the application or make submissions at the application, together with a summary of the position such Interested Party intends to advocate before the Court, and any evidence or materials which are to be presented to the Court. Service of this Notice of Intention to Appear on the Applicant shall be effected by service upon the solicitors for the Applicant, Fasken Martineau DuMoulin LLP at Suite 3400, 350 – 7th Avenue S.W. Calgary, Alberta T2P 3N9.

30. In the event that the application for the Final Order is adjourned, only those parties appearing before this Court for the Final Order, and those Interested Parties having served a Notice of Intention to Appear in accordance with paragraph 29 of this Order, shall have notice of the adjourned date.

General

31. The Applicant is entitled at any time to seek leave to vary this Order upon such terms and the giving of such notice as this Court may direct.
32. This Court hereby requests the aid and recognition of any court, tribunal, regulatory or administrative body having jurisdiction in Canada or in any foreign jurisdiction to give effect to this Order and to assist this Court in carrying out the terms of this Order.

(signed) "Justice Burns"

Justice of the Court of King's Bench of Alberta

APPENDIX D
SECTION 191 OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)

APPENDIX D - SECTION 191 OF THE *BUSINESS CORPORATIONS ACT* (ALBERTA)

The full text of Section 191 of the *Business Corporations Act* (Alberta) is set forth below:

Section 191

- (1) Subject to sections 192 and 242, a holder of shares of any class of a corporation may dissent if the corporation resolves to
 - (a) amend its articles under section 173 or 174 to add, change or remove any provisions restricting or constraining the issue or transfer of shares of that class,
 - (b) amend its articles under section 173 to add, change or remove any restrictions on the business or businesses that the corporation may carry on,
 - (b.1) amend its articles under section 173 to add or remove an express statement establishing the unlimited liability of shareholders as set out in section 15.2(1),
 - (c) amalgamate with another corporation, otherwise than under section 184 or 187,
 - (d) be continued under the laws of another jurisdiction under section 189, or
 - (e) sell, lease or exchange all or substantially all its property under section 190.
- (2) A holder of shares of any class or series of shares entitled to vote under section 176, other than section 176(1)(a), may dissent if the corporation resolves to amend its articles in a manner described in that section.
- (3) In addition to any other right the shareholder may have, but subject to subsection (20), a shareholder entitled to dissent under this section and who complies with this section is entitled to be paid by the corporation the fair value of the shares held by the shareholder in respect of which the shareholder dissents, determined as of the close of business on the last business day before the day on which the resolution from which the shareholder dissents was adopted.
- (4) A dissenting shareholder may only claim under this section with respect to all the shares of a class held by the shareholder or on behalf of any one beneficial owner and registered in the name of the dissenting shareholder.
- (5) A dissenting shareholder shall send to the corporation a written objection to a resolution referred to in subsection (1) or (2)
 - (a) at or before any meeting of shareholders at which the resolution is to be voted on, or
 - (b) if the corporation did not send notice to the shareholder of the purpose of the meeting or of the shareholder's right to dissent, within a reasonable time after the

shareholder learns that the resolution was adopted and of the shareholder's right to dissent

- (6) An application may be made to the Court after the adoption of a resolution referred to in subsection (1) or (2),
 - (a) by the corporation, or
 - (b) by a shareholder if the shareholder has sent an objection to the corporation under subsection (5),

to fix the fair value in accordance with subsection (3) of the shares of a shareholder who dissents under this section, or to fix the time at which a shareholder of an unlimited liability corporation who dissents under this section ceases to become liable for any new liability, act or default of the unlimited liability corporation.

- (7) If an application is made under subsection (6), the corporation shall, unless the Court otherwise orders, send to each dissenting shareholder a written offer to pay the shareholder an amount considered by the directors to be the fair value of the shares.
- (8) Unless the Court otherwise orders, an offer referred to in subsection (7) shall be sent to each dissenting shareholder
 - (a) at least 10 days before the date on which the application is returnable, if the corporation is the applicant, or
 - (b) within 10 days after the corporation is served with a copy of the application, if a shareholder is the applicant.
- (9) Every offer made under subsection (7) shall
 - (a) be made on the same terms, and
 - (b) contain or be accompanied with a statement showing how the fair value was determined.
- (10) A dissenting shareholder may make an agreement with the corporation for the purchase of the shareholder's shares by the corporation, in the amount of the corporation's offer under subsection (7) or otherwise, at any time before the Court pronounces an order fixing the fair value of the shares.
- (11) A dissenting shareholder
 - (a) is not required to give security for costs in respect of an application under subsection (6), and
 - (b) except in special circumstances must not be required to pay the costs of the application or appraisal.

- (12) In connection with an application under subsection (6), the Court may give directions for
- (a) joining as parties all dissenting shareholders whose shares have not been purchased by the corporation and for the representation of dissenting shareholders who, in the opinion of the Court, are in need of representation,
 - (b) the trial of issues and interlocutory matters, including pleadings and questioning under Part 5 of the Alberta Rules of Court,
 - (c) the payment to the shareholder of all or part of the sum offered by the corporation for the shares,
 - (d) the deposit of the share certificates with the Court or with the corporation or its transfer agent,
 - (e) the appointment and payment of independent appraisers, and the procedures to be followed by them,
 - (f) the service of documents, and
 - (g) the burden of proof on the parties.
- (13) On an application under subsection (6), the Court shall make an order
- (a) fixing the fair value of the shares in accordance with subsection (3) of all dissenting shareholders who are parties to the application,
 - (b) giving judgment in that amount against the corporation and in favour of each of those dissenting shareholders,
 - (c) fixing the time within which the corporation must pay that amount to a shareholder, and
 - (d) fixing the time at which a dissenting shareholder of an unlimited liability corporation ceases to become liable for any new liability, act or default of the unlimited liability corporation.
- (14) On
- (a) the action approved by the resolution from which the shareholder dissents becoming effective,
 - (b) the making of an agreement under subsection (10) between the corporation and the dissenting shareholder as to the payment to be made by the corporation for the shareholder's shares, whether by the acceptance of the corporation's offer under subsection (7) or otherwise, or

(c) the pronouncement of an order under subsection (13),

whichever first occurs, the shareholder ceases to have any rights as a shareholder other than the right to be paid the fair value of the shareholder's shares in the amount agreed to between the corporation and the shareholder or in the amount of the judgment, as the case may be.

(15) Subsection (14)(a) does not apply to a shareholder referred to in subsection (5)(b).

(16) Until one of the events mentioned in subsection (14) occurs,

(a) the shareholder may withdraw the shareholder's dissent, or

(b) the corporation may rescind the resolution,

and in either event proceedings under this section shall be discontinued.

(17) The Court may in its discretion allow a reasonable rate of interest on the amount payable to each dissenting shareholder, from the date on which the shareholder ceases to have any rights as a shareholder by reason of subsection (14) until the date of payment.

(18) If subsection (20) applies, the corporation shall, within 10 days after

(a) the pronouncement of an order under subsection (13), or

(b) the making of an agreement between the shareholder and the corporation as to the payment to be made for the shareholder's shares,

notify each dissenting shareholder that it is unable lawfully to pay dissenting shareholders for their shares.

(19) Notwithstanding that a judgment has been given in favour of a dissenting shareholder under subsection (13)(b), if subsection (20) applies, the dissenting shareholder, by written notice delivered to the corporation within 30 days after receiving the notice under subsection (18), may withdraw the shareholder's notice of objection, in which case the corporation is deemed to consent to the withdrawal and the shareholder is reinstated to the shareholder's full rights as a shareholder, failing which the shareholder retains a status as a claimant against the corporation, to be paid as soon as the corporation is lawfully able to do so or, in a liquidation, to be ranked subordinate to the rights of creditors of the corporation but in priority to its shareholders.

(20) A corporation shall not make a payment to a dissenting shareholder under this section if there are reasonable grounds for believing that

(a) the corporation is or would after the payment be unable to pay its liabilities as they become due, or

- (b) the realizable value of the corporation's assets would by reason of the payment be less than the aggregate of its liabilities.

APPENDIX E
EVANS & EVANS FAIRNESS OPINION

EVANS & EVANS, INC.

SUITE 130, 3RD FLOOR, BENTALL II, 555 BURRARD STREET
VANCOUVER, BRITISH COLUMBIA
CANADA V7X 1M8

19TH FLOOR, 700 2ND STREET SW
CALGARY, ALBERTA
CANADA T2P 2W2

6TH FLOOR, 176 YONGE STREET
TORONTO, ONTARIO
CANADA M5C 2L7

September 20, 2023

ATHABASCA MINERALS INC.

4409 94 Street NW
Calgary, Alberta T6E 6T7

Attention: Special Committee of the Board of Directors

Dear Sirs / Mesdames:

Subject: Fairness Opinion

1.0 Introduction

- 1.01 Evans & Evans, Inc. (“Evans & Evans” or the “authors of the Opinion”) was engaged by the Special Committee (the “Committee”) of the Board of Directors (the “Board”) of Athabasca Minerals Inc. (“AMI” or the “Issuer”) of Edmonton, Alberta to prepare a Fairness Opinion (the “Opinion”) with respect to the proposed sale of 100% of the issued and outstanding shares of AMI (the “Proposed Transaction”) which are not owned, directly or indirectly, by JMAC Energy Services LLC (“JMAC” or the “Offeror”). This sale would result in a de-listing of the Issuer’s common shares from the TSX Venture Exchange (the “Exchange”). Given the planned completion of the Proposed Transaction, the Committee has requested the Opinion in order to have an independent opinion as to the fairness of the Proposed Transaction, from a financial point of view, to the shareholders of AMI other than JMAC (the “Non-Participating Shareholders”).

AMI is a reporting issuer whose shares are listed for trading on the Exchange under the symbol “AMI”. AMI develops and delivers sand and gravel products, technical services, and supply-chain solutions. The Issuer is involved in aggregate production, sales from corporate-owned and third party-pits, acquisitions of sand and gravel operations and new venture ventures.

JMAC is a related party to Athabasca, as JMAC is controlled by Mr. Jon McCreary who is a director of Athabasca, and Mr. McCreary holds 15,473,446 shares in AMI, representing approximately 19.7% of the issued and outstanding shares of the Issuer. JMAC and AMI both have a 50% interest in AMI Silica LLC (“AMI Silica”). AMI Silica owns and operates the Hixton silica sand deposit in Wisconsin (“Wisconsin Asset”), which is the Issuer’s primary revenue producing asset.

Evans & Evans has been requested by the Committee to prepare the Opinion to provide an independent opinion as to the fairness of the Proposed Transaction, from a financial standpoint, to the Non-Participating Shareholders as at September 20, 2023.

- 1.02 *Unless otherwise noted, all monetary amounts referenced herein are Canadian dollars.*

- 1.03 AMI was incorporated in 2006 under the *Business Corporations Act (Alberta)*, and is a reporting issuer in British Columbia, Alberta and Ontario. The Issuer has the following wholly owned subsidiaries - AMI Aggregates Inc., AMI Silica Inc. (“Silica Inc”), AMI RockChain Inc. (“RockChain”), 2132561 Alberta Ltd., and 2140534 Alberta Ltd. RockChain has one wholly owned subsidiary - TerraShift Engineering Ltd (TerraShift”).

The Issuer is comprised of the following business units:

- AMI Silica division (amisilica.com) has resource holdings and business interests in Alberta, North-East BC, and the United States. Through Silica Inc, AMI holds 125,000 voting units equaling a 50% interest in AMI Silica. Effective February 1, 2022, the Issuer acquired 50% interest in AMI Silica, which owns an operational sand mine and related facilities in Hixton, Wisconsin in the United States. On March 3, 2022, the Issuer entered into a Definitive Agreement, for purchase of the assets of AMI Silica at a bargain purchase price of US\$1.0 million, as the seller had decided to exit the industry. The Issuer recognized a significant gain as the fair value of the assets was much higher than the purchase price.
- AMI Aggregates division produces and sells aggregates from its corporate pits.
- RockChain is a midstream, technology-enabled business using its proprietary RockChain™ digital platform, automated supply-chain and logistics solutions, quality-assurance & safety programs to deliver products across Canada. In April of 2023, as part of a strategic review process undertaken by the Board as described below, the Issuer made a decision to wind down the operations of RockChain.
- Métis North Sand & Gravel is a strategic partnership with the McKay Métis Group to deliver aggregates to the energy, infrastructure, and construction sectors in the Wood Buffalo region. In December 2022, the Issuer ceased its limited partner position in the partnership but continues to provide services to the partnership under an operating agreement.
- TerraShift conducted resource exploration, regulatory, mining, environmental and reclamation engineering for its customers who are spread across Canada. TerraShift also developed of the proprietary TerraMaps™ software. As of August 24, 2022, the Issuer began to phase out the operations of TerraShift as part of the Issuer's staged plan to create a sustainable and resilient business model. TerraMaps™ and other assets will be maintained to continue to be of benefit to other AMI divisions.

2023 Key Announcements

On March 28, 2023, the Issuer announced it had initiated a process to evaluate potential strategic alternatives intended to maximize shareholder value. As part of the process, the Board considered a full range of strategic alternatives, including financing alternatives, a merger, amalgamation, plan of arrangement, consolidation, reorganization or other business combinations and other alternatives intended to increase shareholder value.

On June 30, 2023, the Issuer announced that it had executed and closed a definitive 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 \$3.2 million, before normal closing adjustments. The Disposition included the sale of five 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 Issuer's total asset holdings and would require ongoing capital expenditure to support their current growth profiles. In addition to the cash consideration, the Disposition resulted in the removal of significant environmental reclamation obligation liabilities as well as a release over \$700,000 in cash deposits that are currently held for these resource properties.

On April 5, 2023, AMI Silica signed a multi-year transload agreement (the "Transload Agreement") for the delivery of its silica sand into the Grande Prairie, Alberta region. In addition, AMI Silica signed an eighteen-month Sand Supply Agreement (the "Sand Agreement") with a total minimum commitment of 360,000 tons, subject to pricing adjustments.

Capital Structure

As of the date of the Opinion, the Issuer had 78,582,686 common shares issued and outstanding. In addition, the Issuer has 520,000 deferred share units ("DSUs") outstanding which are convertible into common shares of AMI on a one-to-one basis. Lastly, the Issuer has approximately 2,855,400 options which have vested as of the date of the Opinion.

Financial Results

The Issuer's fiscal year ("FY") ends on December 31. Since the acquisition of Wisconsin Site in February of 2022, the majority of AMI's revenues have been derived from AMI Silica. Revenues from the Canadian operations do not support that annual selling, general and administrative costs associated with being a public company.

While AMI Silica is generating significant revenues, all operationally generated cash flows are servicing current debt and required investments in working capital and capital expenditures. Accordingly, AMI Silica requires operational and financial resources from AMI and is not contributing to "head office" expenses, i.e., AMI Silica is not getting dividends from AMI Silica that can be passed up to the Issuer's Canadian operations. The monthly management fees paid by AMI Silica are not sufficient to cover the associated costs of delivering these services.

Prior to winding down RockChain, the subsidiary did not have a positive contribution margin, i.e., RockChain was not generating sufficient revenue to cover its own direct expenses, before any head office allocations for services provided by AMI executives, finance, and administration teams.

For the six months ended June 30, 2023, the Issuer's revenue net of royalties of \$27.0 million increased by \$12.7 million compared to \$14.3 million for the six months ended June 30, 2022 with divisional revenue contributions as follows: (i) \$25.2 million revenue from AMI Silica; (ii) \$1.6 million in AMI Aggregates related to sales from the Coffey Lake pit; (iii) \$0.26 million in AMI RockChain; (iv) \$0.04 million in TerraShift revenue; and (v) \$0.16 million in internal revenue, which represents services provided by RockChain and TerraShift to other divisions.

As can be seen from the following table, the acquisition of the Wisconsin Site in February 2022, significantly changed the Issuer's scope of operations. However, the Issuer has continued to experience losses. The positive net income in FY 2022 was a result of the bargain purchase gain on the Wisconsin Site.

Canadian Dollars	Management	Audited				
	As at June 30, 2023	2022	For the Years Ending December 31,			
			2021	2020	2019	2018
Net Revenues	27,020,721	34,225,373	11,791,611	1,945,180	2,596,895	4,994,613
Gross Profit	-653,552	25,044	1,104,778	-399,328	-1,064,552	1,463,799
Gross Profit - %	-2.4%	0.1%	9.4%	-20.5%	-41.0%	29.3%
Net Income (Loss)	-2,484,281	12,167,346	-2,187,088	-3,530,525	-2,720,668	-2,509,836

Financial Position

As can be seen from the following table, over the past two years the Issuer has been in a negative working capital position and its debt has been increasing. As of the date of the Opinion, management noted there was no material change in total debt (excluding leases) and the cash balance had declined to approximately \$2.57 million.

Canadian Dollars	Management	Audited				
	As at June 30, 2023	2022	For the Years Ending December 31,			
			2021	2020	2019	2018
Cash	3,106,293	800,265	2,517,433	1,954,371	1,995,280	5,078,537
Working Capital	-7,044,333	-2,756,099	1,991,501	917,834	2,776,312	4,833,947
Total Debt (Excluding Leases)	6,826,977	4,725,012	1,055,051	1,426,924	0	0
Total Debt / Equity	0.3 x	0.2 x	0.1 x	0.1 x	0.0 x	0.0 x

On June 30, 2023 the Issuer announced it entered into an amended credit agreement ("First Amending Agreement") for the amendment of the secured bridge loan of \$2,000,000 (the "JMAC Loan") from JMAC entered into on February 28, 2023. The First Amending Agreement amends the JMAC 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 JMAC Loan matures 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.

- 1.04 On June 30, 2023, the Issuer entered into a letter of intent (the "LOI") setting out the terms of the Proposed Transaction. As of the date of the Opinion, Evans & Evans had also reviewed a draft Arrangement Agreement (the "Agreement") and Plan of Arrangement.

As of the date of the Opinion, the Proposed Transaction had not been publicly announced. A summary of the key terms of the Proposed Transaction is outlined below.

- AMI wishes to undertake a Plan of Arrangement (the “Arrangement”) whereby JMAC will directly or indirectly acquire all of the outstanding AMI common shares (the “AMI Shares”), DSUs and convertible securities not currently owned by JMAC or another JMAC related entity.
- JMAC may acquire the AMI Shares through a direct or indirectly wholly owned subsidiary, currently existing or to be organized under applicable Laws of any jurisdiction in Canada (“AcquisitionCo”).
- Holders of AMI Shares and DSUs will receive cash consideration of \$0.145 (the “Offer Price”) for each AMI Share or DSU.
- Holders of options in AMI (the “Athabasca Options”) will receive (b) an amount in cash for each Athabasca Option (whether vested or unvested), if any, by which the Offer Price on a per-Athabasca Share basis exceeds the exercise price of such Athabasca Option.
- All out-of-the-money Athabasca Options will be cancelled for \$0.01 per applicable Athabasca Option.
- AMI will be required to pay to JMAC an expense reimbursement fee equal to \$550,000 as partial reimbursement for third party costs and expenses incurred in connection with the Proposed Transaction if the Proposed Transaction is terminated by AMI under certain conditions as outlined in the Agreement.
- The draft Agreement also includes a termination fee in the amount of \$790,000 payable by AMI to JMAC under certain circumstances.

The draft Agreement includes a standard non-solicitation clause and a clause to deal with a superior offer should one be received following announcement of the Proposed Transaction.

- 1.05 The Committee retained Evans & Evans to act as an independent advisor to the Committee and to prepare and deliver the Opinion to the Committee and the Board to provide an independent opinion as to the fairness of the Proposed Transaction, from a financial point of view, to the Non-Participating Shareholders as at the date of the Opinion.

2.0 Engagement of Evans & Evans, Inc.

- 2.01 Evans & Evans was formally engaged by the Committee pursuant to an engagement letter signed September 15, 2023 (the “Engagement Letter”) to prepare the Opinion.

2.02 The Engagement Letter provides the terms upon which Evans & Evans has agreed to provide the Opinion to the Committee. The terms of the Engagement Letter provide that Evans & Evans is to be paid a fixed professional fee for its services. In addition, Evans & Evans is to be reimbursed for its reasonable out-of-pocket expenses and to be indemnified by AMI in certain circumstances. The fee established for the Opinion is not contingent upon the opinions presented.

2.03 Evans & Evans has no present or prospective interest in AMI or the Offeror, or any entity that is the subject of this Opinion, and we have no personal interest with respect to the parties involved.

3.0 Scope of Review

3.01 In connection with preparing the Opinion, Evans & Evans has relied upon, undertaken or carried out, among other things, the following:

- Interviewed management to understand the current position of the Issuer, short-term expectations and the plans going forward.
- Reviewed materials related to the strategic process the Issuer undertook in 2023.
- Reviewed the LOI and the draft Plan of Arrangement and Arrangement Agreement.
- Reviewed the Issuer's Disclosure Letter respecting the Proposed Transaction.
- Reviewed the Issuer's websites www.athabascaminerals.com and www.amisilica.com.
- Reviewed the Issuer's 2022 Corporate Goals & Strategic Plan dated February 2022 and the management presentation to the Board for quarter 3, 2022.
- Reviewed schedules of the AMI Shares, DSUs and Athabasca Options outstanding as of the date of the Opinion.
- Reviewed material agreements related to the acquisition of the U.S. sand assets in February of 2022.
- Reviewed the 2022 corporate tax return for the Issuer and its subsidiaries.
- Reviewed the Non-Revolving Term Loan Agreement between AMI and JMAC dated February 16, 2023, and the First Amending Agreement dated June 30, 2023. Also reviewed associated security and guarantee agreements.
- Reviewed Term Sheets and Agreements related to the Shareholder Loans.
- Reviewed a management summary of outstanding indebtedness as of July 19, 2023.

- Reviewed various internal reports providing technical information on the Montney Property, Dawson Creek Region, Northeast British Columbia.
- Reviewed the Issuer's unaudited interim condensed consolidated financial statements for the three and six months ended June 30, 2023.
- Reviewed the Issuer's consolidated financial statements for the years ended December 31, 2019 to 2022 as audited by Grant Thornton LLP, Chartered Professional Accountants of Vancouver, British Columbia.
- Reviewed the Issuer's Management Discussion and Analysis for the six months ended June 30, 2023 and the years ended December 31, 2020 to 2022.
- Reviewed a management-prepared income statement and balance for AMI Silica for the year ended December 31, 2022.
- Reviewed the Security Agreement dated June 10, 2022 between JMAC and AMI Silica.
- Reviewed various operating and supply agreements entered into by AMI Silica.
- Reviewed the Issuer's forecast for the years ended December 31, 2023 to 2028 as prepared by management. The forecast was on a consolidated basis and by business unit.
- Reviewed a letter from Trisura Guarantee Insurance Issuer outlining the terms of a bonding facility for AMI Silica.
- Reviewed the Fair Value Estimate of Certain Tangible Assets of Athabasca Minerals Inc. Restricted Appraisal Report dated November 7, 2022 as prepared by PricewaterhouseCoopers LLP.
- Reviewed the Issuer's press releases for the 24 months preceding the date of the Opinion.
- Reviewed the trading price of the Issuer on the Exchange for the year preceding the date of the Opinion. As can be seen from the chart below, the Issuer's stock price has been volatile over the past year. The closing price declined from over \$0.20 per AMI Share to below \$0.10 AMI Share in the first quarter of 2023. Overall, trading volumes have been low, with overall trading being less than 50,000 AMI Shares per day.



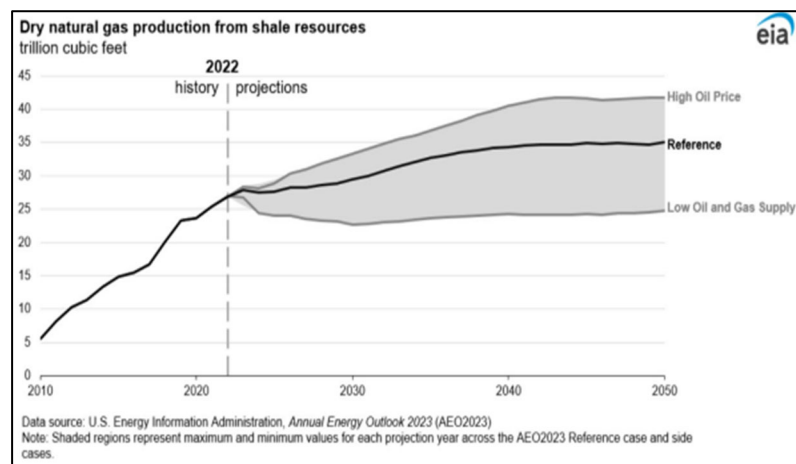
- Reviewed information on mergers & acquisitions involving companies in the aggregates and silica sand space.
- Reviewed stock market trading data and financial information on the following companies: Liberty Energy Inc.; ProFrac Holding Corp.; U.S. Silica Holdings, Inc.; Mammoth Energy Services, Inc.; Smart Sand, Inc.; Source Energy Services Ltd.; Canadian Premium Sand Inc.; Wolf Energy Services Inc.; Select Sands Corp.; Highbank Resources Ltd.; AKITA Drilling Ltd.; Black Diamond Group Limited; Calfrac Well Services Ltd.; Cathedral Energy Services Ltd.; Ensign Energy Services Inc.; PHX Energy Services Corp.; Precision Drilling Corporation; Secure Energy Services Inc.; and Trican Well Service Ltd.
- Reviewed information on the Issuer's market from a variety of sources.
- **Limitation and Qualification:** Evans & Evans did not visit the Issuer's office or the Wisconsin Site.

4.0 **Market Overview**

- 4.01 In assessing the fairness of the Proposed Transaction as of the Date of the Opinion, Evans & Evans reviewed the Issuer's market.
- 4.02 Frac sand is a high-purity quartz sand with very durable and round grains. It is a crush-resistant material produced for use by the petroleum industry. It is used as a proppant in the hydraulic fracturing process (known as "fracking") to produce petroleum fluids, such as oil, natural gas, and natural gas liquids from rock units that lack adequate pore space for these fluids to flow to a well. Most frac sand is a natural material made from high-purity sandstone. Alternative products are ceramic beads made from sintered bauxite or small metal beads made from aluminum.¹

¹ Hobart M. King, *What is Frac Sand?*, online: https://geology.com/articles/frac-sand/#google_vignette

The global frac sand market size reached a value of almost US\$8.32 billion in the year 2022. The market is further expected to grow at a compound annual growth (“CAGR”) of 7.50% between 2023 and 2028 to reach a value of almost US\$12.83 billion by 2028.² The market is driven by the continued expansion of shale oil and gas exploration and production. As energy companies target unconventional reserves, the need for frac sand grows. In addition, the beginning of the Russia-Ukraine conflict in 2022 has affected almost every industry for construction and manufacturing, including frac sand. As oil produced by Russia has been blacklisted, the world is seeking to replace over 4 million barrels per day. When the oil production by United States doesn’t increase, frac sand becomes more expensive.³ The main drivers of long-term growth in U.S. natural gas production until 2050 are shale gas and dissolved natural gas from oil formations. In scenarios with high oil prices and high oil and gas supply, the growth in oil production plays a key role in driving up both associated dissolved natural gas and shale gas production, as illustrated in the following figure.⁴



Unlike many commodity minerals, pricing for frac sand is typically negotiated between buyers and sellers and is not published on a central exchange. However, the frac sand industry is closely linked to oil and gas prices. Consequently, due to the impact of the COVID-19 pandemic, the conflict in Ukraine, and rising inflation, the price of frac sand per ton in 2022 increased from US\$40 to US\$45 per tonne, marking a 16% rise from the previous year.⁵ The following figure illustrates the historical oil prices’ reaction to political and economic events.

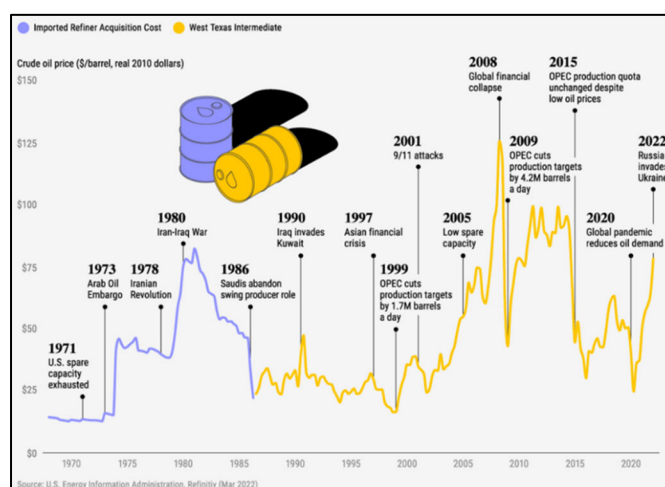
² Expert Market Research, *Global Frac Sand Market*, online: <https://www.expertmarketresearch.com/reports/frac-sand-market>

³ Pontotoc Sand & Stone, *The Frac Sand Industry Outlook in 2023*, online: <https://pontotocsandandstone.com/the-frac-sand-industry-outlook-in-2023/>

⁴ U.S. Energy Information Administration, *Annual Energy Outlook 2023*, online: https://www.eia.gov/outlooks/aeo/pdf/AEO2023_Narrative.pdf

⁵ Pontotoc Sand & Stone, *supra* note 3

Historical oil prices (1968-2022)⁶



North America is the leading regional market across the globe. The U.S. is the largest producer and consumer of frac sand, followed by China, Netherlands, Italy, France, and India. In the U.S., in 2022, industrial sand and gravel production was an estimated 97 million tonnes valued at US\$5.7 billion. The quantity of industrial sand and gravel sold or used increased by 30% while the value increased by 78% as compared to that in 2021. The following table shows global industrial sand and gravel mine production and reserves by country.⁷

Global industrial sand and gravel mine production and reserves

	Mine production		Reserves ⁴
	2021	2022*	
United States	74,600	97,000	Large. Industrial sand and gravel deposits were widespread.
Argentina	*3,600	3,900	
Australia	*4,000	4,000	
Bulgaria	*8,150	8,600	
Canada	4,650	5,000	
China	*87,700	88,000	
France	*11,000	12,000	
Germany	*9,870	11,000	
India	*11,900	12,000	
Indonesia	*3,540	3,500	
Italy	*13,000	14,000	
Malaysia	*3,900	4,500	
Mexico	*2,500	2,700	
Netherlands	*54,000	54,000	
Poland	*5,180	5,500	
Russia	*7,300	7,300	
South Africa	*2,080	2,300	
Spain	*5,990	6,000	
Turkey	11,200	11,000	
United Kingdom	*5,300	5,300	
Other countries	*23,200	25,000	
World total (rounded)	353,000	380,000	

World Resources:⁴ Sand and gravel resources of the world are large. However, because of their geographic distribution, environmental restrictions, and quality requirements for some uses, extraction of these resources is sometimes uneconomical. Quartz-rich sand and sandstone, the main sources of industrial silica sand, occur throughout the world.

⁶ Jenna Ross, *How Oil Prices Have Reacted to Political and Economic Event*, May 4, 2022, online:

<https://advisor.visualcapitalist.com/historical-oil-prices/>

⁷ United States Geological Survey ("USGS"), Mineral Commodity Summaries 2023, pg 153. Sand and Gravel (Industrial), online: <https://pubs.usgs.gov/periodicals/mcs2023/mcs2023-sand-industrial.pdf>

Industrial sand and gravel were produced by 122 companies from 201 operations in 32 States. The leading producing states in descending order of production were Texas, Wisconsin, Illinois, Louisiana, Missouri, Oklahoma, Arkansas, Alabama, California, and Tennessee. Combined production from these states accounted for about 87% of total domestic sales and use. Approximately 75% of the U.S. tonnage was used as hydraulic-fracturing sand (frac sand) and well-packing and cementing sand; and 10% as glassmaking sand. In 2022, the U.S. continued to be a net exporter of industrial sand and gravel, with estimated exports reaching 6,400,000 tonnes. This marked an 18% increase from the levels seen in 2021. Conversely, imports of industrial sand and gravel in 2022 remained unchanged at an estimated 350,000 tonnes, consistent with the figures from 2021. From 2018 to 2021, Canada accounted for 87% of total imports, while Vietnam, Brazil, Taiwan, and Turkey each contributed 2%, with the remaining 4% originating from other countries.⁸

U.S. - Industrial sand and gravel related statistics

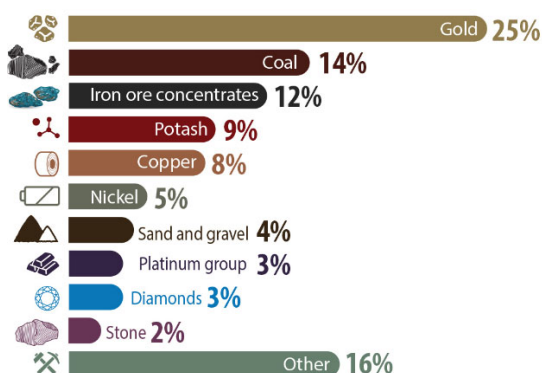
<u>Salient Statistics—United States:</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022*</u>
Sold or used	126,000	108,000	75,800	74,600	97,000
Imports for consumption	392	389	417	350	350
Exports	6,550	5,620	4,070	5,430	6,400
Consumption, apparent ²	120,000	103,000	72,100	69,500	91,000
Price, average value, dollars per metric ton	56.10	46.10	29.50	42.40	58
Employment, quarry and mill, number ³	8,000	7,500	4,500	5,300	6,000
Net import reliance ³ as a percentage of apparent consumption	E	E	E	E	E

Recycling: Recycled cullet (pieces of glass) represents a significant proportion of reused silica. About 33% of glass containers are recycled. Some abrasive, foundry, frac sands are recycled or reclaimed.

Import Sources (2018–21): Canada, 87%; Vietnam, 3%; Brazil, Taiwan, and Turkey, 2% each; and other, 4%.

- 4.03 According to the Natural Resources Canada, sand and gravel including quartz (silica) accounted for 4% of the total mineral production by value.⁹ The following graph shows the leading minerals by value of production as a percentage of the total for 2021.

Leading minerals, by value of production, 2021



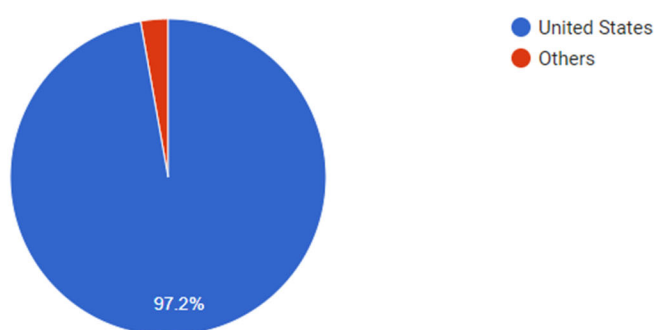
⁸ United States Geological Survey (“USGS”), *Mineral Commodity Summaries 2023*, pg 152. Sand and Gravel (Industrial), online: <https://pubs.usgs.gov/periodicals/mcs2023/mcs2023-sand-industrial.pdf>

⁹ Natural Resources Canada, Minerals and the economy, Mineral Production, May 2023 online: <https://natural-resources.canada.ca/our-natural-resources/minerals-mining/mining-data-statistics-and-analysis/minerals-and-the-economy/20529#production>

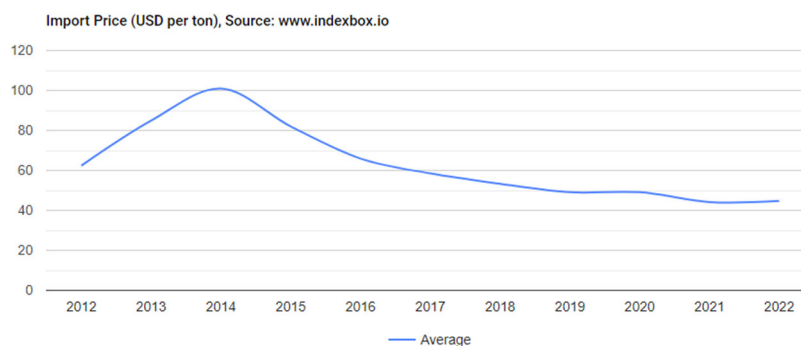
In addition, according to the Government of Canada the sand and gravel production, in 2022, were 210,000,093 tonnes including quartz (silica).¹⁰ For the fourth year in a row, Canada recorded growth in purchases abroad of silica sands (quartz sands or industrial sands), which increased by 9.5% to 5.6 million tonnes in 2022. The total import volume increased at a CAGR of 1.9% from 2019 to 2022.¹¹

Import of Silica Sand in Canada (Million USD)					
COUNTRY	2019	2020	2021	2022	CAGR, 2019-2022
United States	232	173	219	243	1.6%
Others	4.7	67.4	7.7	7.0	14.2%
Total	236	240	226	250	1.9%

Import Value (million USD), Source: www.indexbox.io



The average silica sand import price stood at US\$45 per ton in 2022, remaining relatively unchanged against the previous year.

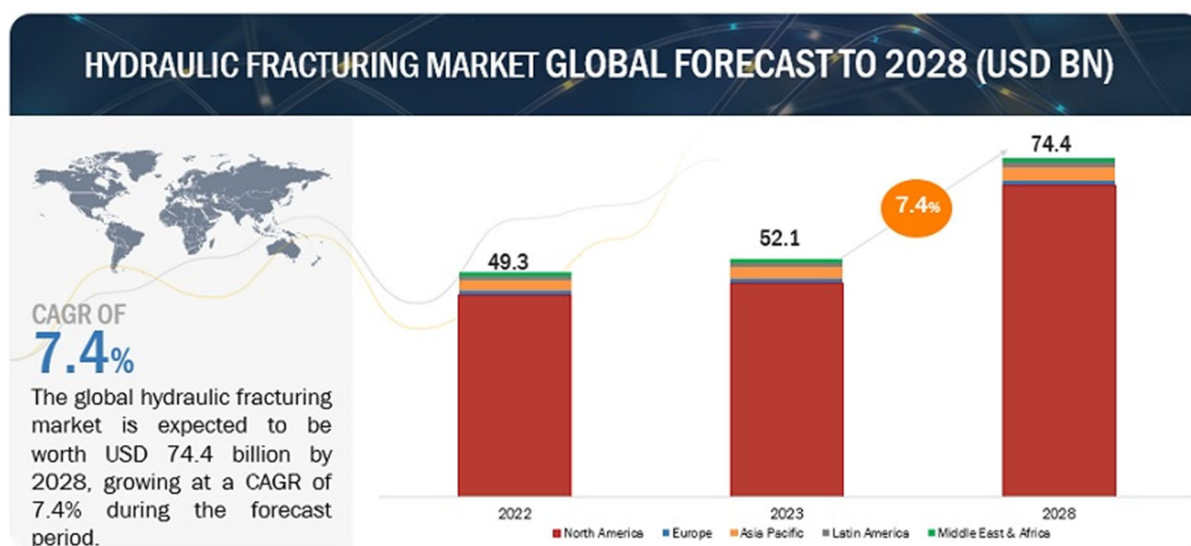


¹⁰ Natural Resources Canada, Annual Statistics of Mineral Production, 2022p, online: <https://mmsd.nrcan-rncan.gc.ca/prod-prod/ann-ann-eng.aspx?FileT=2022&Lang=en>

¹¹ Indexbox, Silica Sand Price in Canada, online: <https://www.indexbox.io/search/silica-sand-price-canada/>

Fracturing technology has transformed the Canadian energy market, providing an alternative means to recover oil and natural gas from “tight” rock formations previously uneconomic to develop. There are concerns around fracturing practices and the potential environmental impacts, specifically around water contamination, fracturing earthquakes and the venting and flaring of methane and other gases. Canada’s shale gas, tight gas and tight oil industry supports a responsible approach to hydraulic fracturing and water management and is committed to continuous performance improvement. Protecting water resources during sourcing, use and handling is a key priority for the industry, which supports and abides by all regulations governing hydraulic fracturing operations, water use and water protection.¹²

- 4.04 The global hydraulic fracturing market is estimated to be valued at US\$49.3 billion in 2022 and is expected to grow to US\$52.1 billion in 2023. This market is expected to grow at CAGR of 7.4% between the years 2023 and 2028.¹³ This is illustrated in the figure below:



North America dominates hydraulic fracturing market based on the increasing shale gas and oil exploration and production activities in the United States. The Asia Pacific region is expected to grow to become the second largest market for hydraulic fracking.

The global oil demand is scaling record high based on the strong summer air travel, increased oil use in power generation and surging Chinese petrochemical activity. Global oil demand is set to expand by 5.9 millions of barrels per day (“mb/d”) to 105.7 mb/d in 2028, with China accounting for more than 70% of growth.¹⁴ Demand in the Asia Pacific

¹² Canada’s Oil and Natural Gas Producers (“CAPP”), Hydraulic Fracturing, online:

<https://www.capp.ca/explore/hydraulic-fracturing/>

¹³ <https://www.marketsandmarkets.com/Market-Reports/hydraulic-fracturing-market-745.html#:~:text=The%20current%20market%20size%20of,USD%2049.3%20billion%20in%202022.>

¹⁴ <https://www.iea.org/reports/oil-market-report-august-2023>

region has also increased due to growing population, urbanization, increased per capita income and growth in number of petrochemical refineries. As the Ukraine-Russia conflict has adversely impacted the global oil supply, the increasing supply demand gap in the primary energy resources is the primary factor driving up the demand of hydraulic fracking.

This increase in demand of hydraulic fracking is not without challenges, the environmental concerns related to hydraulic fracturing and high cost associated with disposal treatment are restraining the market growth. Also, the process is highly regulated by government at both state and national and in some regions may be entirely prohibited due to its adverse impact on the environment.¹³

5.0 Prior Valuations

- 5.01 AMI represented to Evans & Evans that there have been no formal valuations or appraisals relating to AMI or any affiliate or any of its material assets or liabilities made in the preceding three years which are in the possession or control of AMI other than those disclosed in section 3.0 of this Opinion.

6.0 Conditions and Restrictions

- 6.01 The Opinion is for the Committee's use. The Opinion may be shared with the Committee's legal advisors, the Board and management of AMI at the discretion of the Committee. The Opinion is intended for placement on AMI's file. The Opinion may be included in any materials provided to the Issuer's shareholders. The Opinion may be provided to the court approving the Arrangement.
- 6.02 The Opinion may not be issued to any international stock exchange and/or regulatory authority beyond the Exchange.
- 6.03 The Opinion may not be issued and/or used to support any type of value with any other third parties, legal authorities, nor stock exchanges, or other regulatory authorities, nor any tax authority. Nor can it be used or relied upon by any of these parties or relied upon in any legal proceeding and/or court matter other than approx.
- 6.04 Any use beyond that defined above is done so without the consent of Evans & Evans and readers are advised of such restricted use as set out above.
- 6.05 The Opinion should not be construed as a formal valuation or appraisal of AMI or its securities or assets. Evans & Evans has, however, conducted such analyses as we considered necessary in the circumstances.
- 6.06 In preparing the Opinion, Evans & Evans has relied upon and assumed, without independent verification, the truthfulness, accuracy and completeness of the information and the financial data provided by the Issuer. Evans & Evans has therefore relied upon all specific information as received and declines any responsibility should the results presented be affected by the lack of completeness or truthfulness of such information.

Publicly available information deemed relevant for the purpose of the analyses contained in the Opinion has also been used.

The Opinion is based on: (i) our interpretation of the information which AMI, as well as its representatives and advisers, have supplied to-date; (ii) our understanding of the terms of the Proposed Transaction; and (iii) the assumption that the Proposed Transaction will be consummated in accordance with the expected terms.

- 6.07 The Opinion is necessarily based on economic, market and other conditions as of the date hereof, and the written and oral information made available to us until the date of the Opinion. It is understood that subsequent developments may affect the conclusions of the Opinion, and that, in addition, Evans & Evans has no obligation to update, revise or reaffirm the Opinion.
- 6.08 Evans & Evans denies any responsibility, financial, legal or other, for any use and/or improper use of the Opinion however occasioned.
- 6.09 Evans & Evans is expressing no opinion as to the price at which any securities of AMI will trade on any stock exchange at any time.
- 6.10 Evans & Evans expresses no opinion as to whether any alternative transaction might have been more beneficial to the Non-Participating Shareholders.
- 6.11 Evans & Evans reserves the right to review all information and calculations included or referred to in the Opinion and, if it considers it necessary, to revise part and/or its entire Opinion and conclusion in light of any information which becomes known to Evans & Evans during or after the date of this Opinion.
- 6.12 In preparing the Opinion, Evans & Evans has relied upon a letter from management of AMI confirming to Evans & Evans in writing that the information and management's representations made to Evans & Evans in preparing the Opinion are accurate, correct and complete, and that there are no material omissions of information that would affect the conclusions contained in the Opinion.
- 6.13 Evans & Evans has based its Opinion upon a variety of factors. Accordingly, Evans & Evans believes that its analyses must be considered as a whole. Selecting portions of its analyses or the factors considered by Evans & Evans, without considering all factors and analyses together, could create a misleading view of the process underlying the Opinion. The preparation of a fairness opinion is a complex process and is not necessarily susceptible to partial analysis or summary description. Any attempt to do so could lead to undue emphasis on any particular factor or analysis. Evans & Evans' conclusions as to the fairness, from a financial point of view, to the Non-Participating Shareholders of the Proposed Transaction were based on its review of the Proposed Transaction taken as a whole, in the context of all of the matters described under "Scope of Review", rather than on any particular element of the Proposed Transaction or the Proposed Transaction outside

the context of the matters described under “Scope of Review”. The Opinion should be read in its entirety.

- 6.14 Evans & Evans was not requested to, and we did not, solicit indications of interest or proposals from third parties regarding a possible acquisition of or merger with the Issuer. Our opinion also does not address the relative merits of the Proposed Transaction as compared to any alternative business strategies or transactions that might exist for the Issuer, the underlying business decision of the Issuer to proceed with Proposed Transaction, or the effects of any other transaction in which the Issuer will or might engage.
- 6.15 Evans & Evans expresses no opinion or recommendation as to how any Non-Participating Shareholder should vote or act in connection with the Proposed Transaction, any related matter or any other transactions. We are not experts in, nor do we express any opinion, counsel or interpretation with respect to, legal, regulatory, accounting or tax matters. We have assumed that such opinions, counsel or interpretation have been or will be obtained by the Issuer from the appropriate professional sources. Furthermore, we have relied, with the Issuer’s consent, on the assessments by the Issuer and its advisors, as to all legal, regulatory, accounting and tax matters with respect to the Issuer and the Proposed Transaction, and accordingly we are not expressing any opinion as to the value of the Issuer’s tax attributes or the effect of the Proposed Transaction thereon.
- 6.16 Evans & Evans and all of its Principal’s, Partner’s, staff or associates’ total liability for any errors, omissions or negligent acts, whether they are in contract or in tort or in breach of fiduciary duty or otherwise, arising from any professional services performed or not performed by Evans & Evans, its Principal, Partner, any of its directors, officers, shareholders or employees, shall be limited to the fees charged and paid for the Opinion. No claim shall be brought against any of the above parties, in contract or in tort, more than two years after the date of the Opinion.

7.0 Assumptions

- 7.01 In preparing the Opinion, Evans & Evans has made certain assumptions as outlined below.
- 7.02 With the approval of AMI and as provided for in the Engagement Letter, Evans & Evans has relied upon, and has assumed the completeness, accuracy and fair presentation of, all financial information, business plans, forecasts and other information, data, advice, opinions and representations obtained by it from public sources or provided by the Issuer or its affiliates or any of their respective officers, directors, consultants, advisors or representatives (collectively, the “Information”). The Opinion is conditional upon such completeness, accuracy and fair presentation of the Information. In accordance with the terms of the Engagement Letter, but subject to the exercise of its professional judgment, and except as expressly described herein, Evans & Evans has not attempted to verify independently the completeness, accuracy or fair presentation of any of the Information.
- 7.03 Senior officers of AMI represented to Evans & Evans that, among other things: (i) the Information (other than estimates or budgets) provided orally by an officer or employee of

AMI or in writing by AMI (including, in each case, affiliates and their respective directors, officers, consultants, advisors and representatives) to Evans & Evans relating to AMI, its affiliates or the Proposed Transaction, for the purposes of the Engagement Letter, including in particular preparing the Opinion was, at the date the Information was provided to Evans & Evans, fairly and reasonably presented and complete, true and correct in all material respects, and did not, and does not, contain any untrue statement of a material fact in respect of AMI, its affiliates or the Proposed Transaction and did not and does not omit to state a material fact in respect AMI, its affiliates or the Proposed Transaction that is necessary to make the Information not misleading in light of the circumstances under which the Information was made or provided; (ii) with respect to portions of the Information that constitute financial estimates or budgets, they have been fairly and reasonably presented and reasonably prepared on bases reflecting the best currently available estimates and judgments of management of AMI or its associates and affiliates as to the matters covered thereby and such financial estimates and budgets reasonably represent the views of management of AMI; and (iii) since the dates on which the Information was provided to Evans & Evans, except as disclosed in writing to Evans & Evans, there has been no material change, financial or otherwise, in the financial condition, assets, liabilities (contingent or otherwise), business, operations or prospects of the Issuer or any of its affiliates and no material change has occurred in the Information or any part thereof which would have, or which would reasonably be expected to have, a material effect on the Opinion.

- 7.04 In preparing the Opinion, we have made several assumptions, including that all final or executed versions of documents will conform in all material respects to the drafts provided to us, all of the conditions required to implement the Proposed Transaction will be met, all consents, permissions, exemptions or orders of relevant third parties or regulating authorities will be obtained without adverse condition or qualification, the procedures being followed to implement the Proposed Transaction are valid and effective and that the disclosure provided or (if applicable) incorporated by reference in any documents provided to shareholders with respect to AMI and the Proposed Transaction will be accurate in all material respects and will comply with the requirements of applicable law. Evans & Evans also made numerous assumptions with respect to industry performance, general business, market and economic conditions and other matters, many of which are beyond the control of Evans & Evans and any party involved in the Proposed Transaction. Although Evans & Evans believes that the assumptions used in preparing the Opinion are appropriate in the circumstances, some or all of these assumptions may nevertheless prove to be incorrect.
- 7.05 The Issuer and all of its related parties and their principals had no contingent liabilities, unusual contractual arrangements, or substantial commitments, other than in the ordinary course of business, nor litigation pending or threatened, nor judgments rendered against, other than those disclosed by management and included in the Opinion that would affect the evaluation or comment.
- 7.06 As at June 30, 2023 all assets and liabilities of AMI, have been recorded in their accounts and financial statements and follow International Financial Reporting Standards.

- 7.07 There were no material changes in the financial position of the Issuer between the date of their financial statements and September 20, 2023 (i.e., the date of the Opinion) unless noted in the Opinion. Evans & Evans specifically draws attention to the cash and debt balances as outlined in section 1.03 of this Opinion.
- 7.08 Representations made by the Issuer as to the number of shares outstanding and the share structure of the Issuer are accurate.
- 7.09 The Offer Price will be paid in cash at closing of the Proposed Transaction.

8.0 Purchase Price

- 8.01 As outlined above, the Offer Price is \$0.145 per common share, implying an equity purchase price of approximately \$11.4 million after accounting for the DSUs and the in-the-money Athabasca Option. As at the date of the Opinion the Issuer had approximately \$6.8 million in interest bearing debt and \$2.57 million in cash, implying an enterprise value (“EV”) of approximately \$15.7 million.

9.0 Analysis of AMI

- 9.01 In assessing the fairness of the Proposed Transaction, Evans & Evans considered the following analyses and factors, amongst others: (1) historical financings and current trading price; (2) guideline company analysis; (3) discounted cash flow analysis;; and (4) other considerations.
- 9.02 Evans & Evans reviewed the financial position of AMI as of the Date of the Opinion. AMI was in a negative working capital position and its debt position had been increasing. The Issuer is not currently generating positive cash flows from operations. AMI anticipated it will need increased funding until the operations of AMI Silica stabilize.
- 9.03 Evans & Evans assessed the reasonableness of the implied \$11.4 million equity value based on the last round of financing secured by the Issuer. The Issuer has not completed a material arms’ length equity financing in the 24 months preceding the date of the Opinion.
- In December 2021, in conjunction with the acquisition of the Hixton Site, the Issuer did issue 7,375,000 AMI common shares at a price of \$0.20 per common share to JMAC Resources Limited for gross proceeds of \$1,475,000.
- 9.04 Evans & Evans assessed the reasonableness of the \$0.145 Offer Price based on a review of the trading price of the AMI Shares on the Exchange. As can be seen from the following table, the Issuer’s average closing AMI Share price has been declining over the 180-trading days preceding the Date of the Opinion.

Trading Price	September 19, 2023		
	Minimum	Average	Maximum
10-Days Preceding	\$0.10	\$0.11	\$0.12
30-Days Preceding	\$0.09	\$0.10	\$0.12
90-Days Preceding	\$0.07	\$0.10	\$0.12
180-Days Preceding	\$0.07	\$0.12	\$0.22

The Offer Price implies a premium of approximately 40% to the trading price of the AMI Shares as of the date of the Opinion. In the view of Evans & Evans, such a premium is reasonable.

C\$	Athabasca Minerals Inc.		Premium to
As at the Date of the Opinion	Consideration		VWAP
10 - Day VWAP	\$0.104	\$0.145	39.9%
20 - Day VWAP	\$0.100	\$0.145	44.7%
30 - Day VWAP	\$0.099	\$0.145	46.1%

Evans & Evans also reviewed the ability of the Non-Participating Shareholders to receive an amount equal to or greater than the Offer Price in the market. As can be seen from the table below in the 90 trading days preceding the date of the Opinion, the AMI Shares did not trade above \$0.145 per AMI Share. In the 180 trading days preceding the date of the Opinion, the price of the AMI Shares did exceed the Offer Price on 41 days, but less than 5% of the AMI Shares traded on those days. Thus, the ability of the Non-Participating Shareholders to receive value in the market commensurate with the Offer Price is limited.

Implied Consideration	# of Days Closing Price	Shares Traded at	% of Shares
\$0.145	Exceeded Implied Consideration	Implied Consideration or Higher	Outstanding
10-Days Preceding	0	0	0.0%
30-Days Preceding	0	0	0.0%
90-Days Preceding	0	0	0.0%
180-Days Preceding	41	3,188,379	4.1%

9.04 Evans & Evans assessed the reasonableness of the implied \$15.7 million EV by comparing certain of the related valuation metrics to the metrics indicated for referenced guideline public companies. The identified guideline companies selected were considered reasonably comparable to AMI.

In the table below we have summarized the EV to trailing 12-month (“TTM”) revenues and EV to TTM earnings before interest, taxes, depreciation and amortization (“EBITDA”) of selected public companies. Given the Issuer’s EBITDA is currently negative, Evans & Evans also reviewed the current fiscal year (“CFY”) and next fiscal year (“NFY”) EBITDA multiples.

ATHABASCA MINERALS INC.

September 20, 2023

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Company Name	Ticker / Exchange	Market Capitalization	Enterprise Value	FY Revenue	TTM Revenue	FY EBITDA	TTM EBITDA	CFY EBITDA	NFY EBITDA	EV/ TTM Revenue	EV/ FY EBITDA	EV/ TTM EBITDA	EV/ CFY EBITDA	EV/ NFY EBITDA
Athabasca Minerals Inc.	TSXV:AMI	8.25	11.97	34.23	46.93	-8	-7	n/a	n/a	0.26	n/a	n/a	n/a	n/a
Liberty Energy Inc.	NYSE:LBRT	4187.51	4537.90	5615.65	6,450.05	1,110	1,553	1,573	1,425	0.70	4.09	2.92	2.89	3.18
ProFrac Holding Corp.	NasdaqGS:ACDC	2471.32	4082.34	3282.86	4,048.74	1,004	1,181	1,036	1,246	1.01	4.07	3.46	3.94	3.28
U.S. Silica Holdings, Inc.	NYSE:SLCA	1489.67	2438.27	2064.16	2,225.68	427	571	602	537	1.10	5.71	4.27	4.05	4.54
Mammoth Energy Services, Inc.	NasdaqGS:TUSK	325.98	410.39	490.05	532.14	59	74	n/a	n/a	0.77	6.90	5.55	n/a	n/a
Smart Sand, Inc.	NasdaqGS:SDND	128.19	137.77	346.12	400.63	32	47	46	42	0.34	4.36	2.93	2.98	3.25
Source Energy Services Ltd.	TSX:SHLE	74.50	245.36	415.91	498.01	28	38	96	102	0.49	8.62	6.46	2.55	2.41
Canadian Premium Sand Inc.	TSXV:CPS	37.31	37.70	n/a	n/a	-5	-9	n/a	n/a	n/a	n/a	n/a	n/a	n/a
Wolf Energy Services Inc.	OTCPK:WOEN	2.31	3.36	27.21	27.21	0	0	n/a	n/a	0.12	10.33	10.33	n/a	n/a
Select Sands Corp.	TSXV:SNS	2.21	15.15	30.18	25.30	2	0	n/a	n/a	0.60	8.38	n/a	n/a	n/a
Highbank Resources Ltd.	TSXV:HBK	0.56	8.25	n/a	n/a	0	0	n/a	n/a	n/a	n/a	n/a	n/a	n/a
AKITA Drilling Ltd.	TSX:AKT.A	76.64	145.72	201.00	236	34	51	57	61	0.62	4.32	2.86	2.56	2.39
Black Diamond Group Limited	TSX:BDI	410.70	618.35	324.54	358	73	79	93	101	1.73	8.52	7.82	6.63	6.10
Calfrac Well Services Ltd.	TSX:CFW	464.81	796.58	1499.22	1,846	198	304	329	332	0.43	4.03	2.62	2.42	2.40
Cathedral Energy Services Ltd.	TSX:CET	230.49	270.45	298.40	479	50	65	97	140	0.56	5.38	4.14	2.79	1.93
Ensign Energy Services Inc.	TSX:ESI	659.46	1936.66	1577.33	1,817	349	473	498	517	1.07	5.55	4.10	3.89	3.75
PHX Energy Services Corp.	TSX:PHX	389.69	397.30	535.74	622	69	101	136	138	0.64	5.76	3.92	2.93	2.88
Precision Drilling Corporation	TSX:PD	1425.29	2368.74	1617.19	1,924	301	545	653	681	1.23	7.88	4.35	3.63	3.48
Secure Energy Services Inc.	TSX:SES	2272.70	3212.70	8002.00	7,863	519	531	573	566	0.41	6.19	6.05	5.61	5.68
Trican Well Service Ltd.	TSX:TCW	1002.43	962.01	866.30	960	187	243	252	270	1.00	5.15	3.96	3.82	3.57
Millions of Canadian Dollars										Average	0.75	6.19	4.73	3.62
										Median	0.64	5.71	4.12	3.30
										Min	0.12	4.03	2.62	1.93
										Max	1.73	10.33	10.33	6.63

For operating companies, Evans & Evans found the EV to TTM EBITDA multiples of the companies most similar to AMI had an average of 4.12x and a median of 4.73x. The EV of the Proposed Transaction is supportive of an entity with EBITDA in the range of \$3.3 to \$4.8 million.

- A large portion of the Issuer's revenues are now dependent on its frac sand operations, and accordingly the companies in which are primarily involved in frac sand mining are more comparable to AMI in the view of Evans & Evans
- There are a limited number of directly comparable public companies, when one considers differentiating factors such as size and market niche.
- No company considered in the analysis is identical to AMI.
- An analysis of the results of the foregoing necessarily involves complex considerations and judgments concerning the differences in the financial and operating characteristics of AMI, the Issuer, the Proposed Transaction and other factors that could affect the trading value and aggregate transaction values of the companies to which they are being compared.

Given the above-noted factors and our analysis of the observed multiples of selected public companies, Evans & Evans considered this approach in making the final determination of the reasonableness of the consideration and the fairness of the Proposed Transaction.

9.05 Evans & Evans assessed the reasonableness of the implied \$15.7 million EV by comparing certain of the related valuation metrics to the metrics indicated by the transaction whereby AMI acquired the Wisconsin Site. Evans & Evans found it reasonable to assume the value of AMI Silica would have declined since the acquisition given the performance was below expectations.

Given the above-noted factors and our analysis of the observed multiples of acquisitions, Evans & Evans considered this approach and a review of investor interest in the sector in

making the final determination of the reasonableness of the consideration and the fairness of the Proposed Transaction.

- 9.06 Evans & Evans compared the equity value implied by the Proposed Transaction of approximately \$11.4 million to the value of AMI based on a discounted cash flow analysis. Evans & Evans reviewed the Issuer's financial projections for the years ending December 31, 2023 to 2028. Evans & Evans thereafter made certain adjustments to reflect industry level margins and slow progression towards positive EBITDA with revenue growth based on historical results. Evans & Evans also considered a material working capital injection to normalize the working capital position of AMI to be more reflective of industry competitors. Thereafter Evans & Evans discounted the adjusted net after-tax cash flows to the present using a risk adjusted discount rate. In undertaking this analysis, Evans & Evans found the equity value to be supportive of the calculated net present value of future cash flows of the Issuer.

10.0 Fairness Conclusions

- 10.01 In considering fairness, from a financial point of view, Evans & Evans considered the Proposed Transaction from the perspective of the Non-Participating Shareholders as a group and did not consider the specific circumstances of any particular shareholder, including with regard to income tax considerations.
- 10.02 Based upon and subject to the foregoing and such other matters as we consider relevant, it is our opinion, as of the date of the Opinion, that the Offer Price is fair, from a financial point of view, to the Non-Participating Shareholders. In arriving at this conclusion, Evans & Evans considered the following.
- a. The implied value of AMI under the guideline company analysis is reasonable.
 - b. The implied price per share is a premium to the trading price of the Issuer over the 30, 60 and 90 trading days preceding the date of the Opinion.
 - c. The ability of Non-Participating Shareholders to receive greater than the Offer Price in the market is limited over the past 90 trading days is limited. The trading price of the Issuer's shares has not exceeded the Offer Price since the end of February 2023.
 - d. The Issuer did engage Canaccord in early 2023 to undertake a strategic process whereby offers to purchase or invest in AMI were solicited from strategic and financial buyers / investors. Canaccord reached out to over 50 parties. Based on materials provided to Evans & Evans, no superior offer was received that would provide shareholders with a guaranteed return.

11.0 Qualifications & Certification

- 11.01 The Opinion preparation was carried out by Jennifer Lucas and thereafter reviewed by Michael Evans.

Mr. Michael A. Evans, MBA, CFA, CBV, ASA, Principal, founded Evans & Evans, Inc. in 1988. For the past 37 years, he has been extensively involved in the financial services and management consulting fields in Vancouver, where he was a Vice-President of two firms, The Genesis Group (1986-1989) and Western Venture Development Corporation (1989-1990). Over this period, he has been involved in the preparation of over 3,000 technical and assessment reports, business plans, business valuations, and feasibility studies for submission to various Canadian stock exchanges and securities commissions as well as for private purposes.

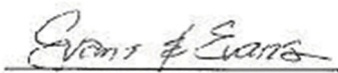
Mr. Michael A. Evans holds: a Bachelor of Business Administration degree from Simon Fraser University, British Columbia (1981); a Master's degree in Business Administration from the University of Portland, Oregon (1983) where he graduated with honors; the professional designations of Chartered Financial Analyst (CFA), Chartered Business Valuator (CBV) and Accredited Senior Appraiser. Mr. Evans is a member of the CFA Institute, the Canadian Institute of Chartered Business Valuators ("CICBV") and the American Society of Appraisers ("ASA").

Ms. Jennifer Lucas, MBA, CBV, ASA, Managing Partner, joined Evans & Evans in 1997. Ms. Lucas possesses several years of relevant experience as an analyst in the public and private sector in British Columbia and Saskatchewan. Her background includes working for the Office of the Superintendent of Financial Institutions of British Columbia as a Financial Analyst. Ms. Lucas has also gained experience in the Personal Security and Telecommunications industries. Since joining Evans & Evans Ms. Lucas has been involved in writing and reviewing over 2,500 valuation and due diligence reports for public and private transactions.

Ms. Lucas holds: a Bachelor of Commerce degree from the University of Saskatchewan (1993), a Masters in Business Administration degree from the University of British Columbia (1995). Ms. Lucas holds the professional designations of Chartered Business Valuator and Accredited Senior Appraiser. She is a member of the CICBV and the ASA.

- 11.02 The analyses, opinions, calculations and conclusions were developed, and this Opinion has been prepared in accordance with the standards set forth by the Canadian Institute of Chartered Business Valuators.
- 11.03 The authors of the Opinion have no present or prospective interest in the Issuer, or any entity that is the subject of this Opinion, and we have no personal interest with respect to the parties involved.

Yours very truly,



EVANS & EVANS, INC.

