

# Athabasca Minerals Inc. Announces Corporate Sale Transaction Valued at CAD \$29.2 Million

Edmonton, Alberta--(Newsfile Corp. - February 15, 2024) - Athabasca Minerals Inc. (TSXV: AMI), together with its subsidiaries (collectively, "**Athabasca**" or the "**Corporation**") announces today that it has entered into a transaction agreement (the "**Agreement**") with Badger Mining Corporation (the "**Purchaser**" or "**Badger**") for the acquisition of the Corporation by Badger (the "**Transaction**"). The Transaction is to be implemented by way of a subscription agreement between the Corporation and the Purchaser, and a reverse vesting order ("**RVO**") to be issued by the Alberta Court of King's Bench (the "**Court**") under the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**"), pursuant to which: i) the existing common shares of Athabasca will be exchanged on a 1:1 basis for shares in a newly incorporated entity termed "**ResidualCo**"; ii) all other existing equity interests in Athabasca will be cancelled for no consideration; iii) certain existing claims and liabilities will be transferred from the Corporation to ResidualCo; and iv) Badger will be issued new shares from the Corporation's treasury and will acquire such shares free and clear of all claims and encumbrances. Following the conclusion of the implementation of the Transaction, Badger will be the sole shareholder of the Corporation and existing Athabasca common shareholders will own all of the shares of ResidualCo in the same proportion to their prior shareholdings of Athabasca. The purchase price pursuant to the Transaction is approximately CAD \$29.2 million, which amount will also be transferred to ResidualCo in accordance with the terms and conditions of the Agreement.

The Transaction is subject to the satisfaction of certain conditions set out in the Agreement, including the issuance of the RVO by the Court approving the Transaction. The Corporation understands that such approval may be challenged by at least one party.

The Transaction is a result of the implementation of the Corporation's Court-approved sales and investment solicitation process ("**SISP**"). On December 15, 2023, the Court approved, among other things, the terms of a SISP which included a stalking horse bid from JMAC Energy Services LLC ("**JMAC**") to acquire the Corporation's assets for CAD \$13,000,000. As at the final bid deadline pursuant to the SISP of January 31, 2024, it was determined that Badger presented a superior bid. A run-off auction was conducted by KSV Restructuring Inc., in its capacity as the Corporation's proposal trustee (the "**Proposal Trustee**"), on Friday, February 9, 2024 pursuant to the SISP and in accordance with established auction rules. The Auction resulted in the Purchaser being selected as the successful bidder with the highest and best bid price of CAD \$29,200,000.

The gross proceeds of the Transaction will be used by ResidualCo, under the direction of the Proposal Trustee, to satisfy the Corporation's obligations and liabilities to its secured and unsecured creditors (whose claims and encumbrances will be transferred to and assumed by ResidualCo). Pursuant to the RVO, following the satisfaction and discharge of all such transferred obligations and liabilities, any residual value may be distributed to the shareholders of ResidualCo (being the former shareholders of the Corporation) and the ResidualCo shares will thereafter be cancelled.

In accordance with the terms of the SISP, JMAC will remain as the backup bid until the earlier of: (i) two business days after the date of closing of the successful bid, and ii) the outside date of March 30, 2024. The Corporation is in the process of applying to the Court for approval of the Transaction, which is required prior to proceeding to close the Transaction.

Dana Archibald, the Corporation's CEO states, "we are very pleased that our competitive auction process has produced a positive result for our creditors and shareholders, and we are extremely grateful to all of our stakeholders for their continued patience as we have been working through this process."

A copy of the Agreement will be filed and is available for review under the Corporation's profile at [www.sedarplus.ca](http://www.sedarplus.ca). Additional information regarding the application to approve the Transaction and

other information regarding the Corporation's ongoing restructuring proceedings will be available through the Proposal Trustee's website established with respect to the proceedings, which can be accessed here: [www.ksvadvisory.com/experience/case/athabasca-minerals](http://www.ksvadvisory.com/experience/case/athabasca-minerals).

## **About Athabasca Minerals Inc.**

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

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## **FORWARD-LOOKING STATEMENTS**

This news release contains certain statements or disclosures relating to Athabasca that are based on the expectations of its management as well as assumptions made by and information currently available to Athabasca which may constitute forward-looking statements or information ("**forward-looking statements**") under applicable securities laws. All such statements and disclosures, other than those of historical fact, which address activities, events, outcomes, results, or developments that Athabasca anticipates or expects may, or will occur in the future (in whole or in part) should be considered forward-looking statements. In some cases, forward-looking statements can be identified by the use of the words "may", "will", and similar expressions. In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: the anticipated benefits of the Transaction to Athabasca and its stakeholders; the ability of Athabasca and the Purchaser to satisfy the other conditions to, and to complete, the Transaction; the anticipated timing of closing of the Transaction; the required Court approvals; and the challenge of the Court approval by at least one party.

The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of Athabasca including, without limitation: that the Court will grant the RVO; that the other conditions to the completion of the Transaction will be satisfied by the closing date of the Transaction; the effect of challenges to the Transaction by other parties; that no other events will occur that affect the completion of the transaction; costs, expenses, and inflationary pressures faced by Athabasca will not continue; availability of debt and/or equity sources to fund Athabasca's capital and operating requirements as needed; certain cost assumptions; Athabasca will continue to conduct its operations in a manner consistent with past operations; that Athabasca's capital resources will be sufficient to meet its forecasted and budgeted expenses and that such expenses will not exceed the level of capital resources available; the ability of Athabasca to obtain and retain qualified staff, equipment, and services in a timely and cost efficient manner; continuity in the management of Athabasca; and the general continuance of current or, where applicable, assumed industry conditions.

Athabasca believes the material factors, expectations, and assumptions reflected in the forward-looking statements are reasonable at this time, but no assurance can be given that these factors, expectations, and assumptions will prove to be correct. The forward-looking statements included in this news release are not guarantees of future performance and should not be unduly relied upon. Such forward-looking statements involve known and unknown risks, uncertainties, and other factors that may cause actual results or events to differ materially from those anticipated in such forward-looking statements including, without limitation: the required Court and regulatory approvals; the ability of the parties to satisfy, in a timely manner, the other conditions to the closing of the Transaction; the general economic, market, and business conditions; shareholder value may not be maximized in the manner suggested by Athabasca or

at all; Athabasca may be unable to resolve mechanical or operational issues in the timelines anticipated, in the manner anticipated, or at all; increased costs and expenses; reliance on industry partners; that Athabasca will have sufficient working capital to meet its existing contractual obligations, including without limitation certain production commitments that may limit Athabasca's ability to ensure operations are profitable and operational requirements; future co-operation of the creditors of Athabasca and the ongoing willingness of its lenders to provide funds to Athabasca; the ability to maintain relationships with suppliers, customers, employees, shareholders, and other third parties in light of Athabasca's current liquidity situation; and certain other risks detailed from time to time in Athabasca's public disclosure documents including, without limitation, those risks identified in this news release and in Athabasca's annual information form dated April 28, 2022, copies of which are available on Athabasca's SEDAR+ profile at [www.sedarplus.ca](http://www.sedarplus.ca). Readers are cautioned that the foregoing list of factors is not exhaustive and are cautioned not to place undue reliance on these forward-looking statements.

The forward-looking statements contained in this news release are made as of the date hereof and Athabasca undertakes no obligations to update publicly or revise any forward-looking statements, whether as a result of new information, future events, or otherwise, unless so required by applicable securities laws.



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