



## **Athabasca Minerals Inc. Announces Non-Brokered Private Placement and Board Appointment**

**October 26, 2020 Calgary, Alberta.** Athabasca Minerals Inc. (“AMI” or the “Corporation”) – TSXV:AMI – is pleased to announce a non-brokered private placement (the “Private Placement”) of \$1,480,000 based on the issuance of 9,866,668 common shares (the “Common Shares”) at a premium price of \$0.15 per Common Share.

### **HIGHLIGHTS:**

- The Private Placement, priced at \$0.15/share, represents a 30% premium to the market’s last closing price of AMI, with no finders-fee payable.
- The Private Placement is anchored by JMAC Resources Ltd. (“JMAC”) as lead investor, where Mr. Jon McCreary, CEO of JMAC, is also appointed to AMI’s Board of Directors.
- Insider ownership of the Corporation’s Common Shares has increased to 22.5% (from previously 8.1%) based on contributions from officers, existing Board Directors, and recognizing Mr. McCreary’s new Board appointment.
- Proceeds from the Private Placement will be primarily used to advance Front-End Engineering & Development (“FEED”) activities for the Duvernay Sand Project (“Duvernay Project”) and for general corporate purposes.
- Turn-key Processing Solutions (“TPS”), the design-build contractor currently conducting the FEED for the Duvernay Project, is also participating in the Private Placement.

### **MERITS OF THE PRIVATE PLACEMENT:**

The Duvernay Project, which resides under the Corporation’s wholly-owned subsidiary, AMI Silica Inc., is making meaningful progress with FEED, on what aims to be one of the greenest sand processing operations in North America, in conjunction with its international industrial partner. As project activities ramp up toward Final Investment Decision (“FID”), planned in 1H-2021, this Private Placement primarily supports AMI’s contribution to associated FEED expenditures, and to a lesser extent for general corporate purposes.

JMAC, the Canadian affiliate of JMAC Resources Inc. in the United States, has subscribed to receiving 6,666,667 Common Shares based on gross proceeds of \$1,000,000, pursuant to the terms of a subscription agreement. At closing of the Private Placement, JMAC’s ownership of AMI’s outstanding Common Shares will represent a 13.5% stake in the Corporation.

The Private Placement is further supported by TPS, an experienced design-build contractor headquartered in Franklin, Tennessee, with extensive background in engineering, constructing and operating numerous silica production facilities in North America totaling over 30 million tons in annual capacity.

Current insiders of the Corporation (not including Mr. McCreary’s interest on behalf of JMAC) collectively subscribed to receiving 1,316,668 Common Shares based on gross proceeds of \$197,500 pursuant to the terms of a subscription agreement. Participation by the Insiders in the Private Placement was considered a “related party transaction” pursuant to Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”). The Corporation was exempt from the requirements to obtain a formal valuation or minority shareholder approval in connection with the Insiders’ participation in the Private Placement in reliance of sections 5.5(a) and 5.7(1)(a) of MI 61-101. A material change report was filed in connection with the participation of Insiders in the Private Placement less than 21 days in advance of the closing of the Private Placement, which the Corporation deemed reasonable in the circumstances so as to be able to avail itself of potential financing opportunities and complete the Private Placement in an expeditious manner.

All securities issued in connection with the Private Placement will be subject to a statutory four-month and one-day hold period under applicable Canadian securities laws. The Private Placement remains subject to receipt of all necessary regulatory and other approvals, including the final approval of the TSX Venture Exchange. Any securities issued have not been and will not be registered under the United States *Securities Act of 1933*, as amended (the “U.S. Securities Act”) or any state securities laws and may not be offered or sold within the United States or to U.S. Persons unless registered under the U.S. Securities Act and applicable state securities laws or an exemption from such registration is available.

Mark Smith, the Corporation’s Chief Financial Officer, stated: *“We are very pleased with the results of the Private Placement initiative. The strong support and response to achieve \$1.48 million financing at a 30% premium to the previous day market closing price for AMI stock recognizes the merits of the Corporation’s strategic initiatives. With this capital investment, Athabasca is well-positioned to advance the FEED toward FID for the Duvernay Project with a solid balance sheet.”*

#### **BOARD APPOINTMENT (MR. JON MCCREARY)**

The Corporation is additionally pleased to announce that Mr. Jon McCreary, CEO of JMAC Resources Inc, and its affiliate JMAC Resources Ltd in Canada, will be joining AMI’s Board as an independent Director effective November 1, 2020.

Robert Beekhuizen, AMI’s Chief Executive Officer, stated: *“We are excited to have Mr. McCreary joining Athabasca’s Board at a pivotal stage in the Corporation’s delivery on its strategic plan. Mr. McCreary has proven industry experience in successfully building JMAC Resources Inc. in the United States into a strong company with many synergies and overlapping interests relevant to AMI’s business model. We look forward to his role on the Board as we continue to expand and grow AMI’s business interests in the North American marketplace.”*

#### **ABOUT ATHABASCA MINERALS INC.**

Athabasca is an integrated group of companies focused on the aggregates, industrial minerals and resource sectors, including exploration and development; aggregates marketing and midstream supply-logistics solutions. Business activities include aggregate production, sales and royalties from corporate-owned pits, management services of third-party pits, acquisitions of sand and gravel operations, integrated supply/delivery solutions of industrial minerals, and new venture development. The Corporation is strategically focused on growing its three core business units: the AMI Aggregates division, the AMI RockChain division and the AMI Silica division. Management is continually pursuing opportunities for sustained growth and diversification in supplying aggregate products and industrial minerals.

Athabasca’s business is comprised of the following three reportable segments:

- AMI Aggregates division produces and sells aggregate out of its corporate pits and manages the Coffey Lake Public Pit on behalf of the Province of Alberta for which aggregate management services revenue are earned.
- AMI Silica division is positioning to become a leading supplier of premium domestic silica sand with regional deposits in Alberta and NE British Columbia. This reporting segment encompasses all silica assets including Firebag, the Duvernay Project and the Montney In-Basin Project.
- AMI RockChain division is a midstream technology-based business using its proprietary RockChain™ digital platform, associated algorithm and quality assurance & control services to provide cost-effective integrated supply / delivery solutions of industrial minerals to industry, and the construction sector.
- TerraShift Engineering Ltd. is a newly acquired entity of RockChain. It offers technology-based applications that support resource exploration and development, environmental and regulatory engineering, resource management, compliance reporting, and reclamation for a growing customer base across Western Canada and Ontario.

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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: “continue”, “estimate”, “expect”, “may”, “intends”, “will”, “should”, “position”, “to be”, “can”, “plan”, “believe” and similar expressions.

In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: closing of the Private Placement; the ability to raise the capital needed for the development and advancement of the Duvernay Project; a positive final investment decision for the Duvernay Project; the completion of the FEED for the Duvernay Project; the Corporation’s future growth in the North American marketplace; the Corporation’s ability to become a leading supplier of premium domestic silica sand; and the expectations for industry activity, management’s assessment of Athabasca’s future projects and financing plans.

The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of Athabasca including, without limitation: that Athabasca will continue to conduct its operations in a manner consistent with past operations; the general continuance of current or, where applicable, assumed industry conditions; availability of debt and/or equity sources to fund Athabasca’s capital and operating requirements as needed; and certain cost assumptions.

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: a significant expansion in COVID-19 restricting or prohibiting the operation of the Athabasca’s operations or supply chain; the duration and extent of the relatively low global oil prices, development and production in the Western Canadian Sedimentary Basin; general economic, market and business conditions including those in the event of an epidemic, natural disaster or other event; 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; 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, copies of which are available on Athabasca’s SEDAR profile at [www.sedar.com](http://www.sedar.com). Moreover, the duration and impact of the COVID-19 pandemic is unknown at this time and it is not possible to reliably estimate the length and severity of these developments and the impact on the financial results and condition of the Corporation. 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 the Corporation undertakes no obligation 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 law.