



Athabasca Minerals Announces Agreement to Purchase Rail Transloading Facility near Obed, Alberta

Edmonton, Alberta – May 12, 2015-- Athabasca Minerals Inc. ("Athabasca" or the "Corporation" - TSX Venture: ABM) is pleased to announce that it has entered into an agreement ("Agreement") with Coal Valley Resources Inc. ("CVRI"), a subsidiary of Westmoreland Coal Company NasdaqGM: WLB) to purchase a private rail transloading facility ("Obed Facility") from CVRI. The Obed Facility was used by CVRI in their operation of the Obed Mountain Mine to load coal into rail cars for transportation to the West Coast. The facility is located approximately 67 kilometers west of Edson, near Obed, Alberta. Athabasca intends to use this facility for both aggregate processing and transloading as well as for the storage, and distribution of frac sand.

Under the terms of the Agreement, Athabasca will acquire CVRI's rights in and to the provincial government lease of land on which the Obed Facility is located (the "Lease") and all load out infrastructure related thereto, for an aggregate purchase price of CDN \$6,000,000 (the "Purchase Price"). Athabasca will also acquire CVRI's rights in and to a Surface Materials Lease located nearby (the "SML") and pay weight-based royalties to CVRI for sand products and gravel removed from the SML under the Agreement. The Purchase Price will be paid by Athabasca over the course of a term starting on the closing date and ending January 31, 2019 and will be secured by a letter of credit. Closing is anticipated to occur during the fourth quarter of 2015 and is subject to a number of conditions, including the completion of satisfactory due diligence of the Obed Facility and consent to the Lease assignment from the provincial government and applicable regulatory authorities.

The Obed Facility includes 160 acres of land with a private load-out structure that can load rail cars at the rate of 500 tonnes per hour, a dome storage structure that can store approximately 45,000 tonnes of aggregate, 4.6 kilometers of private rail line connecting to CN main line, water, power and natural gas connections. The facility also has direct highway access making it an ideal location for year round delivery capabilities. In addition to the potential trans-load opportunities, Athabasca will also be working to market and develop the sand and gravel resources that exists within the Obed Mountain Mine area

"The Obed Facility will provide mutual benefit to both CVRI and Athabasca and the timing is ideal" said Dom Kriangkum, President and CEO of Athabasca. "CVRI no longer requires the transloading facility and we are looking at developing our own facility for the transloading of industrial minerals including frac sand and aggregates." Kriangkum further stated that; "This is a very unique facility with a very large storage structure in place and 4.6 kilometers of rail line that can accommodate more than 100 railcars at a time. In addition, there exists a local work force within the area as the site is only 20 kilometers from the Town of Hinton and 67 kilometers from the Town of Edson."

The acquisition of the Obed Facility will allow Athabasca to continue to grow and diversify its aggregate business and advance the development of its Firebag Project. In addition, Athabasca intends to explore additional sand transloading capabilities at the Obed Facility.

Athabasca's Firebag Project is located approximately 95 kilometers north of Fort McMurray, Alberta, and the Corporation has completed a Preliminary Economic Assessment ("PEA") disclosing considerable potential for development as a frac sand resource, which includes the potential for a large, highly economical deposit with high margin, rapid payback and 25 years of open pit mining. Athabasca has targeted production of an average of approximately 900,000 tonnes of frac sand per year. The PEA has shown Post-Tax base case economics with a Net Present Value of Cdn \$268 million at a 10% discount

rate with an IRR of 57%. Further information related to the PEA can be viewed on the Corporation's website and the Corporation's press release dated February 12, 2015.

About Athabasca Minerals

Athabasca is a resource company involved in the management, exploration and development of aggregate projects. These activities include contracts works, aggregate pit management, new aggregate development and acquisitions of sand and gravel operations. The Corporation also has industrial mineral land holdings in the vicinity of Fort McMurray and Peace River, Alberta, for the purpose of locating and developing sources of industrial minerals and aggregates essential to high growth economic development.

About Westmoreland Coal Company

Westmoreland Coal Company is the oldest independent coal company in the United States. Westmoreland's coal operations include sub-bituminous and lignite surface coal mining in the Western United States and Canada, an underground bituminous coal mine in Ohio, a char production facility, and a 50% interest in an activated carbon plant. Westmoreland also owns the general partner of and a majority interest in Westmoreland Resource Partners, LP, formerly Oxford Resource Partners, LP, a publicly-traded coal master limited partnership. Its power operations include ownership of the two-unit ROVA coal-fired power plant in North Carolina.

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