



Athabasca Minerals Inc. Acquires 49.2% Interest in the Montney In-Basin Frac Sand Project

Montney In-Basin Sand Resource serving NW Alberta / NE British Columbia Liquefied Natural Gas ("LNG") Development

December 17, 2018 EDMONTON, ALBERTA. Athabasca Minerals Inc. ("Athabasca" or the "Corporation") (TSX Venture: ABM) has purchased 49.2% ownership of a private Alberta corporation ("Privco") that owns the Montney In-Basin frac sand project ("MIB Project") located in the vicinity of Dawson Creek and Fort St John. The MIB Project broadens the strategic growth and advancement of the Corporation's wholly-owned subsidiary, AMI Silica Inc, in becoming the 'in-basin' leader for the supply of Premium Domestic Sand and frac sand solutions.

Athabasca acquired 41.6% in Privco for \$1,498,000 in cash and an additional 7.6% from the issuance of 1,186,956 Athabasca ('ABM') shares. The Corporation has the option to purchase the remaining 50.8% percent from Privco shareholders within 1 year following this transaction.

A joint project team (Athabasca-Privco) will be formed. The funds invested in Privco will be used to advance the MIB Project commencing with resource delineation and validation. In early 2019, resource delineation will include an initial 6-hole confirmation drilling program, followed by a 20-hole drilling program. Drilling will focus on previously identified highly prospective zones, and on lands with logistical advantages. A National Instrument 43-101 resource estimate is planned for completion in Q2-2019 to be followed by a Preliminary Economic Assessment ("PEA") in Q3-2019.

The MIB Project consists of over 150,000 contiguous hectares strategically located in the heart of the Montney Basin. Preliminary testing has indicated a quartzose silica sand composed of a size and quality that is ideal for wells in the Montney Basin, and which supports LNG and other hydrocarbon projects in Western Canada.

Robert Beekhuizen, CEO of Athabasca Minerals, and President of AMI Silica Inc stated: "Currently 70% of the demand for frac-sand in Western Canada is supplied from the United States requiring extensive logistics. Yet, Canada is a nation of incredible resources, including silica sand. With sand demand continuing to grow, there is a real need and opportunity for in-basin solutions. AMI Silica will be able to efficiently provide Premium Domestic Sand for both Montney and Duvernay basins from both MIB and Firebag projects. Offering attractively-priced, quality domestic products with efficient in-basin transportation solutions is the business model and mission of AMI Silica. Our investment in and relationship with Privco supports the Corporation's strategic initiatives as outlined in our June-2018 AGM, and is an important directional step in expanding our portfolio".

About Athabasca Minerals

The Corporation is an integrated aggregates company involved in resource development, aggregates marketing and midstream supply-logistics solutions. Business activities include aggregate production, pit management services, sales from corporate-owned and third-party pits, acquisitions of sand and gravel operations, and new venture development. The Corporation also has industrial mineral land exploration licenses that are strategically positioned for future development in industrial regions of high potential demand.

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