

COURT FILE NUMBER & BANKRUPTCY ESTATE NUMBER **25-3009380, 25-3009384, 25-3009386, 25-3009385, 25-3009379, 25-3009389, 25-3009398**

Clerk's Stamp

COURT COURT OF KING'S BENCH OF ALBERTA,
IN BANKRUPTCY AND INSOLVENCY

JUDICIAL CENTRE Calgary

IN THE MATTER OF THE *BANKRUPTCY AND INSOLVENCY ACT*, RSC 1985, C B-3 AS AMENDED

AND IN THE MATTER OF THE NOTICE OF INTENTION TO MAKE A PROPOSAL OF ATHABASCA MINERALS INC., AMI SILICA INC., AMI AGGREGATES INC., AMI ROCKCHAIN INC., TERRASHIFT ENGINEERING LTD., 2132561 ALBERTA LTD., and 2140534 ALBERTA LTD.

APPLICANT ATHABASCA MINERALS INC., AMI SILICA INC., AMI AGGREGATES INC., AMI ROCKCHAIN INC., TERRASHIFT ENGINEERING LTD., 2132561 ALBERTA LTD., and 2140534 ALBERTA LTD.

DOCUMENT **AFFIDAVIT OF JOHN DAVID CHURCHILL**

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AFFIDAVIT NO. 1 OF JOHN DAVID CHURCHILL

Sworn on December 6, 2023

I, John David Churchill, of the City of Calgary, in the Province of Alberta, SWEAR AND SAY THAT:

1. I am the Chief Financial Officer (“**CFO**”) of the Applicant, Athabasca Minerals Inc. (“**AMI**”). I have been the CFO of AMI since May 2022. I am also a director of all of the Companies defined and detailed below, excepting AMI. I have over 33 years of financial experience including 15 years in oilfield services, aggregates and industrial minerals industry, focusing on financial and accounting management and corporate finance. I have personal knowledge of the matters to which I depose in this Affidavit, except where such matters are stated to be based on information and belief, in which case I have stated the source of my information and, in all cases, I believe such information to be true. In preparing this Affidavit, I consulted with the Companies’ management team and advisors and reviewed relevant documents and information concerning the Companies’ operations, financial affairs and restructuring activities.
2. I am authorized to swear this Affidavit as a corporate representative of the Companies (as defined below).
3. All monetary references in this Affidavit are in Canadian dollars, unless otherwise stated.
4. On November 13, 2023, AMI together with its affiliates AMI Silica Inc. (“**Silica**”), AMI Aggregates Inc. (“**Aggregates**”), AMI RockChain Inc. (“**RockChain**”), TerraShift Engineering Ltd. (“**TerraShift**”), 2132561 Alberta Ltd. (“**213**”), and 2140534 Alberta Ltd. (“**214**” and collectively with AMI, Silica, Aggregates, RockChain, TerraShift and 213 the “**Companies**”), each filed a notice of intention to make a proposal to their creditors pursuant to the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) with the Office of the Superintendent of Bankruptcy (collectively the “**Proposal Proceedings**”). KSV Restructuring Inc. was appointed as proposal trustee of each of the Companies (in such capacity, the “**Proposal Trustee**”) respecting the Proposal Proceedings. Copies of each of the Companies’ NOI Certificates are attached collectively hereto as **Exhibit “A”**.

5. I swear this Affidavit in support of the Companies' application for orders which, amongst other things:
- (a) abridge the time for service of the notice of this application and the supporting materials, if necessary, and deem service thereof to be good and sufficient;
 - (b) continues and procedurally consolidates the Companies' seven separate Proposal Proceedings into one Court Action Number and Bankruptcy Estate Number, under Court Action No. and Bankruptcy Estate No. 25-3009380, for administrative purposes;
 - (c) permits the Companies to file a joint proposal to their creditors;
 - (d) extends the time by which the Companies may file a proposal to their creditors pursuant to the BIA, and the corresponding stay of proceedings (the "**Stay Extension**"), for 45 days to and including January 26, 2024;
 - (e) authorizes AMI to obtain interim financing pursuant to the terms of the interim financing term sheet between AMI and JMAC Energy Services LLC (and in this capacity the "**Interim Lender**"), dated December 5, 2023 (the "**Interim Financing Term Sheet**"), up to the principal amount of \$2,850,000 (the "**Interim Financing Facility**");
 - (f) approves the Companies' engagement of Canaccord Genuity Corp. (the "**Sales Advisor**") to act as sales advisor to the Companies in the within Proposal Proceedings, and approves the engagement letter entered into between the Companies and the Sales Advisor dated December 5, 2023 (the "**Engagement Letter**");
 - (g) approves the Companies' proposed sales and investment solicitation process ("**SISP**"), as more particularly described below;
 - (h) approves the Companies' agreement to pay the Expense Reimbursement (as defined in the Stalking Horse Term Sheet delivered to the Companies by JMAC Energy Services LLC (in such capacity the "**Stalking Horse Bidder**") dated December 5, 2023 (the "**Stalking Horse Term Sheet**")), pursuant to and in accordance with the terms of the Stalking Horse Term Sheet. The Companies are not otherwise seeking approval of the transaction contemplated by the Stalking Horse Term Sheet at this time;
 - (i) approves the Companies' proposed key employee retention plan ("**KERP**"), as more particularly described below;
 - (j) approves and grants the following charges against all of the Companies' current and future assets, undertakings and properties of every nature and kind whatsoever (including all real and personal property), and wherever situate, including all proceeds thereof (collectively the "**Property**") in the following relative priorities:

- (i) First – a charge in favour of the Proposal Trustee, counsel to the Proposal Trustee, and counsel to the Companies to a maximum amount of \$350,000 (the “**Administration Charge**”);
 - (ii) Second – a charge in favour of the Interim Lender in respect of the Interim Financing Facility up to the maximum amount of \$2,850,000 (the “**Interim Lender’s Charge**”);
 - (iii) Third – a charge in favour of the Sales Advisor up to a maximum amount of \$450,000 (the “**Sales Advisor’s Charge**”);
 - (iv) Fourth – a charge in favour of the directors and officers of the Companies to a maximum amount of \$60,000 (the “**Directors’ Charge**”); and
 - (v) Fifth – a charge in favour of the KERP beneficiaries to a maximum amount of \$260,000 (the “**KERP Charge**”);
- (k) extends AMI’s obligation to hold an annual general meeting (“**AGM**”) of its shareholders until three (3) months following the closing of a transaction respecting all, or substantially all of, the Company’s Property, business or equity, should a requirement to hold an AGM continue at that time;
 - (l) seals **Confidential Exhibits “1”, “2”, “3” and “4”** to this Affidavit; and
 - (m) grants such further and other relief as the Companies may request and this Honourable Court may deem just.

6. I have been advised by the Proposal Trustee that it supports this application.

COMPANY BACKGROUND

Corporate Structure

- 7. AMI is a corporation amalgamated under the laws of the Province of Alberta and, through its subsidiaries, is in the business of exploring and developing aggregates and industrial minerals in the Province of Alberta. The registered office of AMI is located in Edmonton, Alberta, with its corporate office located in Calgary, Alberta. A copy of AMI’s corporate registry search from Alberta is attached hereto as **Exhibit “B”**.
- 8. AMI is a reporting issuer in the Provinces of British Columbia, Alberta, and Ontario. The common shares of AMI are listed for trading on the TSX Venture Exchange (“**TSX-V**”) under the symbol “AMI”. Due to the filing of the Proposal Proceedings, the trading of AMI’s common shares have been suspended. The TSX-V has advised AMI that it will

continue to monitor the situation to determine whether AMI will be able to meet its continued listing requirements once it emerges from the restructuring process. If the continued listing requirements are not met by AMI, its common shares could be transferred to the NEX Board, a subsidiary board of the TSX-V.

9. All of Silica, Aggregates, RockChain, 213 and 214, are wholly owned subsidiaries of AMI. Further, TerraShift is a wholly owned subsidiary of RockChain. A copy of AMI's corporate organizational structure is attached hereto as **Exhibit "C"**.
10. Further, all of Silica, Aggregates, RockChain, 213 and 214, are corporations incorporated pursuant to the Alberta *Business Corporations Act* ("**ABCA**"), sharing their respective registered offices with AMI in Edmonton Alberta. Myself and Mr. Dana Archibald, AMI's Chief Executive Officer, are directors of all of Silica, Aggregates, RockChain, 213 and 214. TerraShift is a corporation incorporated pursuant to the Canada *Business Corporations Act*, extra-provincially registered in Alberta, with the same registered office as the rest of the Companies in Edmonton Alberta. Myself, Mr. Archibald, and Mr. Paul Leveille are listed as directors of TerraShift. Attached hereto and marked collectively as **Exhibit "D"** are copies of the corporate registry searches respecting each of Silica, Aggregates, RockChain, 213, 214, and TerraShift.
11. The senior management team of the Companies' consists of:

Name	Position	Location
Dana Archibald	Chief Executive Officer	Edmonton, Alberta
John David Churchill	Chief Financial Officer	Calgary, Alberta
Cheryl Grue	Director of Corporate Affairs	Calgary, Alberta
Paul Leveille	VP, Projects & Operations	Edmonton, Alberta

(collectively, the "**Management Team**").

12. The Management Team develops all corporate strategies for the Companies. The Management Team is split between Calgary and Edmonton, with the majority of operational duties being performed out of Edmonton and corporate duties being performed out of the Calgary office.
13. The Management Team reports to a board of directors that effectively controls all of the Companies. All members of the Management Team are residents of Canada.
14. The leaders of the business units in all jurisdictions execute the decisions made by the Management Team in Calgary.

The Business

15. The Companies' business is fully integrated, with all executive level and strategic decision making for the business made by AMI in Alberta. AMI is an integrated group of companies capable of full life-cycle development and supply of aggregates and industrial minerals. AMI is comprised of the following business units:
 - (a) **Silica**: has resource holdings and business interests in Alberta, North-East British Columbia, and the United States, with a 50% interest in AMI Silica LLC ("**Silica LLC**");
 - (b) **Aggregates**: produces and sells aggregates, from its corporate pits, within Canada;
 - (c) **RockChain**: is a midstream, technology-enabled business that uses its proprietary RockChain™ digital platform, automated supply-chain and logistics solutions, quality-assurance, and safety programs to deliver products across Canada. The RockChain™ digital platform has commercial applications and there has been some interest in the asset from third parties; and
 - (d) **TerraShift**: conducts resource exploration, regulatory, mining, environmental and reclamation engineering for a growing nation-wide customer base and is also the developer of the proprietary TerraMaps™ software. The TerraMaps™ platform is a proprietary asset. As of August 24, 2022, the Companies began to phase out the

operations of TerraShift as part of the Companies' plan to create a sustainable and resilient business model. TerraMaps™ has commercial applications and there has been some interest in the asset from third parties.

16. AMI also has 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, AMI ceased its limited partner position in the partnership, but it continues to provide services to the partnership under an operating agreement.
17. AMI has interests in various resource properties, as summarized in the following table:

Resource Properties	Location	Land Size (hectares)	Resource Type	Status
Hixton	Hixton, Wisconsin, US	440	Sand	In Production
Firebag	97 kms North of Fort McMurray, AB, Canada	32	Sand	Production Ready
Prosvita	County of Athabasca, AB, Canada	320	Sand	Development
Montney In-Basin	South of Fort St. John, BC, Canada	60,000	Sand	Exploration

18. AMI holds a 50% interest in AMI Silica LLC (“AMIS LLC”), an entity that is not a party to these proceedings. AMIS LLC is a limited liability company, incorporated pursuant to the laws of the State of North Dakota. AMIS LLC’s mining operation is located in Hixton, Wisconsin and produces high quality silica sand that can meet a wide range of markets. The operation has a large volume production capacity which can deliver high strength products. The Hixton operation includes 440 hectares of land, a fully functional and staffed mine and processing plant capable of 2.4 million tons of sand production annually, fixed storage, rail transloading capabilities of roughly 100 railcar shipments with 6-day a week service on Canadian National Railway, mobile equipment and active supply chain contracts.
19. The Firebag Sand Resource, which contains premium domestic silica sand, is located on 32 hectares (80 acres) north of Fort McMurray, Alberta. It has an active Surface Materials License (“SML”) and was opened and commenced production in February 2022 utilizing

a winter-access road. An all-season road has been approved, but development of that road has not yet commenced. Initially, a short-term sales contract of approximately \$2 million was in place respecting this property; however, there have been no further sales subsequent to this contract from the Firebag Sand Resource. In the fourth quarter of 2022, management reassessed the recovery of resource development costs compared to saleable product and determined there was a shortfall, and wrote-down costs associated with the Firebag Sand Resource of \$1,141,355. The asset value was written down to \$1 for accounting purposes due to this impairment. Additionally, the market for the product is geographically limited and it is uneconomic to ship sand out of the area. A substitute product is now being used by a prior large customer. Alternative commercial uses for silica sand are limited to the nature of the mineral and location. These factors contributed and necessitated the accounting write-down.

20. The Prosvita Sand Project (also referred to as the Duverney Sand Project), is located on 320 hectares (790 acres) of private land in North Central Alberta approximately 50 kilometres northeast of Athabasca, Alberta. The Prosvita Sand Project has a total of 11.9 million tonnes of measured and saleable sand. AMI has the option to purchase five contiguous quarter sections intended for development of both mining and processing facilities. AMI is currently undergoing regulatory approval and permitting processes with the Alberta Ministry of Environment and Protected Areas (“**AEPA**”) and associated Alberta *Water Act* approvals for the development and operation of a Class I Pit for the Prosvita Sand Project. To date, AMI has invested approximately \$4,946,324 for the purchase and development of this project.
21. The Montney Project consists of two non-contiguous mineral exploration leases in Northwest Alberta and Northeastern British Columbia. In Northeastern British Columbia, AMI holds mineral leases respecting 10,117 hectares (25,000 acres) in the vicinities of Fort St. John and Dawson Creek, and an additional 51,395 hectares (127,000 acres) located in Northwestern Alberta near the B.C. border. The project is currently in the advanced stages of exploration with significant desktop geological and field geophysical and prospecting studies completed. There is potential for high-grade silica sand sourced local to the Montney Basin, nearly no competition in the region, and AMI owns grandfathered assets

that all combine to backstop this in-basin sand holding. The project requires drilling and material testing which is currently scheduled to commence in early 2024. Given the current Canadian LNG projects slated to come online in the next couple of years, the Montney resource is strategically located and has attracted significant interest from major E&P companies. To date, AMI has invested \$1,248,538 for the purchase and development of the Montney project, with \$52,500 of further development costs forecasted to be incurred by December 31, 2023 in order to maintain the mineral leases.

22. Lastly, AMI has consolidated non-capital tax loss carry forwards of approximately \$15.6 million.

Employees

23. As of November 13, 2023, the Companies employed 9 full-time employees, of which 5 are located at the head office in Calgary, Alberta, and 4 are employed out of the Edmonton location.
24. The Companies use the MS Dynamics Great Plains payroll system to manage payroll functions, and all taxes and remittances related to source deductions are remitted directly to the government by Canadian Western Bank (CWB). The Companies are current with respect to the remittance of employee source deductions.
25. The Companies sponsors certain employee benefit plans, including health care, dental and life and disability benefits for each employee. The employee benefit plans may be used to claim health, medical and dental related costs incurred by employees and their dependents. Benefits are provided by Equitable Life and Health/Wellness Spending benefits are managed through MyHSA.
26. The Companies do not currently sponsor any registered pension or retirement savings plans.

OVERVIEW OF FINANCIAL DIFFICULTIES

27. Since January 2023, the Companies' Canadian revenue streams have been inconsistent and at low gross margins, therefore not able to generate the cash flows needed to support the

annual expenses of a public company. With a change in senior management in May and June 2022, all Canadian business units and assets were reviewed and strategic alternatives were put in place. In September 2022, management quietly started marketing the Canadian aggregate assets and related equipment and the RockChain business. By the year ended December 31, 2022, the operations of TerraShift were wound down and RockChain was in the process of being wound down. From June 2022 to November 2023, twenty-eight (28) full time positions were eliminated. For the year ended December 31, 2022 there was a \$6.2 million write-down of Canadian inventory, contract costs and resource properties.

28. Further, the 50% interest in AMIS LLC does not generate significant cash flows as the US business is growing and requires significant working capital to finance this growth. AMI currently receives about \$40,000 per month in management fees and reimbursement of employee expenses from AMIS LLC.
29. Over the past 14 months, the Companies' operations and general and administrative expenses have been funded through shareholder loans of \$2,400,000, the \$2 million JMAC Facility (as defined and further discussed below), and the sale of all Canadian aggregate properties and equipment.
30. The Canadian Companies had significantly lower revenues for the nine-month period ended September 30, 2023 over September 30, 2022, and the Companies' continued to experience operating losses of \$3.1 million and net losses of \$5.1 million in that same period. These losses continue to impair the Companies' liquidity position and going-concern viability.
31. Further, as of September 30, 2023, the Companies had negative working capital of \$3.4 million, and therefore insufficient working capital to fund ongoing operations and meet their liabilities when they came due.
32. In an effort to mitigate its liquidity constraints, the Companies engaged in dispositions of non-core assets. On June 30, 2023, AMI closed a sale to divest of certain non-core assets within the Aggregates division for total cash consideration of \$3.2 million, before normal closing adjustments.

33. Further, on or about March 27, 2023, Canaccord Genuity Corp. was engaged to assist AMI as financial advisors to, among other things, consider strategic alternatives available to AMI (the “**Pre-Filing Strategic Process**”). The Pre-Filing Strategic Process had a number of parties actively participating and submitting bids, and eventually resulted in the selection of a bid from JMAC Energy Services LLC (“**JMAC**”) to acquire AMI.
34. JMAC is a limited liability company validly subsisting under the laws of the State of Delaware, with its head office located in Wenatchee, Washington, USA. JMAC is in the business of heavy civil construction and ready mix services. The shares of JMAC are not listed or traded on any stock exchange. Mr. McCreary, a former director of AMI up until November 2023, is the sole manager and sole member of JMAC.
35. Additionally, as further discussed below, JMAC is a secured creditor of the Companies and holds the other 50% interest in AMIS LLC. In addition to its capital contributions to AMIS LLC, JMAC also provides AMIS LLC with financing through the form of an accounts receivable factoring agreement (the “**Factoring Agreement**”).
36. Emanating from the Pre-Filing Strategic Process, AMI entered into an arrangement agreement with JMAC dated September 20, 2023 (the “**Arrangement Agreement**”) whereby: (i) JMAC would acquire all issued and outstanding AMI shares, other than AMI shares already owned or controlled by JMAC, or persons or entities related to JMAC, at a price of \$0.145 per AMI share; (ii) each outstanding AMI option that was “in-the-money” would be cancelled in exchange for a cash payment equal to the difference between the exercise price of such “in-the-money” AMI option and \$0.145; (iii) each outstanding AMI option that was “out-of-the-money” would be cancelled in exchange for a cash payment equal to \$0.01; and (iv) each outstanding deferred share unit of AMI would be cancelled in exchange for \$0.145 (the “**Arrangement**”). The Arrangement Agreement was to be implemented by way of a Court-approved plan of arrangement pursuant to section 193 of the ABCA. In furtherance of the Arrangement Agreement, AMI obtained an order from the Court to call and hold a special meeting of AMI securityholders (the “**Meeting**”) to consider and vote upon the Arrangement. The Meeting was scheduled to be held on November 3, 2023.

37. However, on October 30, 2023, AMI announced that, based on discussions with its auditors, it was required to amend and restate, amongst other things, its audited consolidated financial statements for the years ended December 31, 2021 and December 31, 2022, and the associated Management's Discussion & Analysis. The revisions were due to an error in the accounting position of a joint operation taken on the set up of AMI's arrangement in Silica LLC, as further described in the press release issued by AMI in relation to this issue and attached hereto as **Exhibit "E"**. As a result, AMI also announced that it was postponing the Meeting to vote on the Arrangement until on or about November 17, 2023.
38. On November 14, 2023, the Corporation filed amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021 ("**Annual Financial Statements**") and the associated Management's Discussion & Analysis ("**MD&A**"), as well as the amended and restated unaudited interim condensed consolidated financial statements and the associated MD&A as of June 30, 2023 and for the three and six month periods ended June 30, 2023 and 2022 (together with the Annual Financial Statements, the "**Consolidated Financial Statements**").
39. The amendments to the Consolidated Financial Statements arose as a result of the fact that AMI had determined that the investment in the AMIS LLC joint arrangement, entered into in 2021, was incorrectly accounted for as a joint operation rather than a joint venture in the Consolidated Financial Statements. This required a restatement as a joint operator must account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the International Financial Reporting Standards applicable to the particular assets, liabilities, revenues and expenses, whereas a joint venturer recognises its interest in a joint venture as an investment and accounts for that investment using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. This restatement resulted in a 2022 net income reduction by \$0.3 million (\$0.004/share basic and diluted), a \$32.3 million reduction in total assets, and a \$31.6 million reduction in total liabilities.

40. JMAC terminated the Arrangement Agreement on or about November 10, 2023, citing the restatements of the Consolidated Financial Statements as the basis for such termination, and the Meeting was never held. Shortly thereafter, the Companies' commenced the within Proposal Proceedings, having no transaction to advance and facing a liquidity crisis.

ASSETS AND LIABILITIES

41. Attached as **Exhibit "F"** is a copy of AMI's Amended and Restated Consolidated Financial Statements for the years ended December 31, 2022 and 2021. These are the latest audited financial statements of AMI. Also attached as **Exhibit "G"** is a copy of AMI's Unaudited Interim Condensed Financial Statements for the three and nine months ended September 30, 2023 (the "**Interim Financials**").

Assets

42. AMI's amended and restated consolidated statement of financial position as at December 31, 2022 lists total assets of \$37,050,648. This includes: (i) current assets of \$2,922,950, (ii) investment in the AMIS LLC joint venture of \$23,462,149, and (iii) Canadian resource properties of \$7,549,667.
43. AMI's Q3 Interim Financials disclose gross revenue, net of royalties of \$2,032,705, a decrease of \$8.2 million for the nine months ended September 30, 2022. The company had a Share of Loss on the AMIS LLC Joint Venture of \$2,954,510 compared to a \$23,005,184 Share of Profit in 2022.
44. As the Companies derive revenues from industrial sand from the United States, their quarterly results can be affected by the seasonality of operations. Industrial sand sales and the associated delivery therefor can be affected by, among other things:
- (a) weather conditions;
 - (b) seasonal variances in oil and natural gas exploration and development activities;
 - (c) timing of projects;

- (d) market demand; and
- (e) timing of capital investments in the regions.

45. AMI does not own any project lands or resource properties. AMI holds the option to purchase the 5 quarter sections of land for the Prosvita Sand Project. The mineral claims that AMI holds for the Montney resource provides the rights to the Company to explore these lands with the goal to develop an in-basin sand project. AMI holds a Surface Material Lease (SML) and associated road use agreement (DLO) for the Firebag Sand Pit north of Fort McMurray to extract sand and gravel. AMI has 2 Surface Material Exploration (SME) Leases north of Fort McMurray to explore for sand and gravel resources.

Site Name	Disposition	Status	Asset Holder
Firebag	SML130021	Active	AMI Silica Inc.
Firebag DLO	DLO220117	Active	AMI Silica Inc.
Firebag DLO (original)	DLO130748	Active	AMI Silica Inc.
Saline Exploration Lease #1	SME 220032	Active	Athabasca Minerals Inc.
Saline Exploration Lease #2	SME 220032	Active	Athabasca Minerals Inc.
Mineral Claim (Montney BC)	1066380	Active	2132561 AB Ltd.
Mineral Claim (Montney BC)	1066381	Active	2132561 AB Ltd.
Mineral Claim (Montney BC)	1066382	Active	2132561 AB Ltd.
Mineral Claim (Montney BC)	1066383	Active	2132561 AB Ltd.
Mineral Claim (Montney BC)	1066384	Active	2132561 AB Ltd.
Mineral Claim (Montney BC)	1066385	Active	2132561 AB Ltd.
Metalic & Industrial Minerals Permit (Montney AB)	9322120231	Active	Athabasca Minerals Inc.
Metalic & Industrial Minerals Permit (Montney AB)	9322120232	Active	Athabasca Minerals Inc.
Metalic & Industrial Minerals Permit (Montney AB)	9322120233	Active	Athabasca Minerals Inc.
Metalic & Industrial Minerals Permit (Montney AB)	9322120234	Active	Athabasca Minerals Inc.
Metalic & Industrial Minerals Permit (Montney AB)	9322120235	Active	Athabasca Minerals Inc.
Metalic & Industrial Minerals Permit (Montney AB)	9322120236	Active	Athabasca Minerals Inc.
Metalic & Industrial Minerals Permit (Montney AB)	9322120237	Active	Athabasca Minerals Inc.
Metalic & Industrial Minerals Permit (Peace River AB)	9322110204	Active	Athabasca Minerals Inc.
Metalic & Industrial Minerals Permit (Peace River AB)	9322110205	Active	Athabasca Minerals Inc.
Prosvita Sand Project	Land Options	Active	2140534 AB Ltd.

Liabilities

46. As at December 31, 2022, the Companies had total consolidated liabilities with a book value of \$8,436,088, excluding shareholders' equity. As at September 30, 2023, the total consolidated liabilities of the Companies are \$6,981,082, exclusive of shareholders' equity.
47. As at November 30, 2023, the Companies' secured liabilities are primarily comprised of a bridge loan in the principal amount of \$2,000,000 obtained from JMAC on February 28, 2023. The Companies used the proceeds of this credit facility to fully repay its then existing term loan with the Canadian Western Bank ("CWB") and for general working capital purposes. The Companies also have several outstanding letters of credit in relation to various regulatory security and bonding requirements, which are further discussed below.
48. As at November 30, 2023, the Companies primary unsecured liabilities include shareholder loans of approximately \$2,400,000, CEBA loans of \$300,000 and near term (next 12 months) lease obligations of approximately \$71,919.

Secured Debt: JMAC Facility

49. AMI is a borrower under a Non-Revolver Term Loan Agreement between AMI and JMAC dated February 28, 2023, as amended June 30, 2023 (the "**JMAC Facility**"). Pursuant to the JMAC Facility, JMAC has advanced to AMI the principal amount of \$2,000,000, with interest payable thereon currently at a rate of 14%. A copy of the JMAC Facility is attached hereto together as **Exhibit "H"**.
50. The JMAC Facility was secured by way of:
 - (a) a general security agreement dated February 28, 2023, charging all present and after-acquired real and personal property, including proceeds, of AMI ("**AMI GSA**"); and
 - (b) guarantees given by each of AMI's subsidiaries, being Aggregates, Silica, RockChain, TerraShift, 213 and 214 (the "**Guarantors**"), but excluding AMIS LLC, which guarantees were also secured by general security agreements charging all present and after-acquired real and personal property, including proceeds, of the Guarantors (collectively the "**Guarantor GSAs**").

51. A copy of the AMI GSA is attached hereto as **Exhibit “I”**. Additionally, a copy of the guarantee given by Aggregates, which is substantially the same as the guarantee given by all of the Guarantors, is attached hereto as **Exhibit “J”**, as is a copy of the Aggregates general security agreement as **Exhibit “K”**, again which is substantially the same for all of the Guarantor GSAs.
52. Copies of searches from the Alberta Personal Property Registry (“**PPR**”) dated November 13, 2023, respecting each of the Companies are attached collectively hereto as **Exhibit “L”**.
53. The Companies continue to be in regular communication with JMAC, directly and through JMAC’s legal counsel, regarding the Companies’ financial requirements, the day-to-day operations of the Companies, and their restructuring plans in the within Proposal Proceedings.

Outstanding Letters of Credit

54. The Companies presently have 7 outstanding letters of credit (“**LCs**”) issued by CWB, totalling \$1,054,430. The LCs were issued with respect to regulatory bonding requirements required to be posted by the Companies with AEPA. One \$100,000 LC is secured by a cash deposit of \$100,000. All but one of the other six LCs is insured by Export Development Canada. The non-insured LC issued by CWB is in the amount of \$180,000.
55. Further, all of the LCs relate to Canadian aggregate properties that the Companies have divested as part of their pre-filing restructuring efforts. As such, the new purchasers of the properties are responsible for posting new security with AEPA, and are contractually obligated to do so under the terms of their respective purchase and sale agreements with the Companies. Once the purchasers have posted this security, AEPA will release the Companies from their bonding requirements and the LCs will be cancelled. I expect all of the LCs in the amount of \$1,054,430 will be cancelled by December 31, 2023, or sometime in early 2024.
56. Notwithstanding the fact that the Companies fully repaid the CWB loan earlier this year, the CWB is still listed as a secured creditor on the PPR search result respecting AMI. Based

on my discussions with a representative of CWB, I understand that the CWB has not discharged its security interests at the PPR due to these outstanding LCs. I have requested that this CWB charge be released when all of the LCs have been returned and cancelled.

Canada Revenue Agency and other Tax Obligations

57. There are no Canadian or US corporate income tax obligations owing and all GST and employee payroll remittances and withholdings are current as of November 30, 2023.

Lease obligations

58. The Companies lease their head office space in Calgary, Alberta, as well as their office space in Edmonton, Alberta. Based on the terms of the Edmonton lease agreement the Companies pay \$7,886.45, inclusive of GST, per month. The Calgary lease costs are \$6,133.55, inclusive of GST, per month. Due to the recent downsizing of the Companies, there was additional office space in Calgary that was not being utilized, and as a result, management made the decision to sublease the space. Under the new sublease agreement the Companies will recoup \$4,460.48 per month towards rental costs.

Royalties

59. Under the Production Royalty Agreements entered into by 214, the Companies owe \$40,000 to each of Sierra Geological Corp, 799462 Alberta Ltd., and 102004623 Saskatchewan Inc, a total of \$120,000, due on January 2nd of each calendar year.

Trade Creditors

60. The Companies have ongoing supply and/or service arrangements with numerous vendors and service providers, including in respect of the operations and maintenance of its aggregates assets, as well as certain general administrative expenses. The Companies have outstanding amounts owing to certain trade creditors of approximately \$458,000 as at November 30, 2023.

Environmental Obligations

61. The only Canadian Environmental Reclamation Obligation (ERO) is for the Firebag sand asset with a current estimated liability of \$176,800. This ERO liability is partially secured by a \$79,970 cash deposit with the Alberta Government.
62. Environmental obligations are accounted for by management making estimates of the timing and amount of future costs the Corporation will incur to complete the reclamation and decommissioning work required to comply with existing laws, regulations and contractual agreements at each mining operation. Timing and actual costs incurred may differ from those estimated.

Litigation Claims

63. On October 20, 2023, AMI, RockChain and TerraShift were listed as defendants in a civil claim filed with the Alberta Court of Justice for an amount of \$183,365.00. The basis of the claim is an alleged wrongful dismissal. AMI, RockChain and TerraShift have filed a defence denying any wrongdoing or liability to the plaintiff in that action.

EQUITY INTERESTS

64. As of September 30, 2023, the authorized share capital of AMI consisted of an unlimited number of common voting shares with no par value, and preferred shares issuable in series. AMI did not declare or pay dividends during the years ended December 31, 2021 and 2022 and for the three and nine months ended September 30, 2023, and in fact has not declared dividends payable to shareholders since the formation of the company. As of November 30, 2023, there were 78,582,686 common shares issued and outstanding of AMI.

INTERIM FINANCING FACILITY

65. The Companies have prepared a cash flow forecast for the period December 4, 2023 to March 3, 2024 (the “**Cash Flow Forecast**”). The Companies’ principal use of cash during this period will consist of satisfying a member’s cash call in AMIS LLC, employee compensation, ongoing payment of essential trade creditors, general administrative expenses, and payment of the professional advisors engaged to assist with the restructuring efforts. Attached hereto as **Exhibit “M”** is a true copy of the Cash Flow Forecast.

66. The Cash Flow Forecast demonstrates the Companies' present liquidity challenges and the fact that the Companies require interim financing to fund ongoing operational expenses in order to pursue the proposed SISF through to conclusion.
67. The Cash Flow Forecast also includes payment by AMI in the amount of USD \$2.1 million (or CDN \$2.85 million) to AMIS LLC in order to fund a cash call anticipated to be issued by AMIS LLC imminently, in order to fund AMIS LLC's ongoing critical operational expenses. On or about December 4, 2023, AMI, as a 50% member of AMIS LLC, tabled a pending resolution to the AMIS LLC board with respect to the necessity of this cash call. At the time of swearing this Affidavit, that resolution was still subject to final board approval; however, AMIS LLC's cash flow forecast, which was appended to the pending resolution, demonstrates the necessity of this funding. AMI intends to pay that capital contribution in full, so as to maintain its proportionate interest in AMIS LLC. Attached hereto as **Exhibit "N"** is a true copy of the resolution tabled by AMI.
68. Pursuant to the terms of AMIS LLC's governing Operating Agreement dated July 19, 2021 (the "**LLC Operating Agreement**"), if AMI fails to satisfy a capital contribution request, its capital interest will be reduced. The excerpted relevant provision of the LLC Operating Agreement provides as follows:

9.03 Delinquent Capital Contributions/Adjustment of Capital Interest

...The only effect of a Member's decision not to make such Member's Additional Capital Contribution shall be adjustment of the Member's Capital Interest pursuant to this Section 9.03 hereof. The Capital Interest of each Member shall be re-determined following each Additional Capital Contribution so that each Member's Capital Interest is equal to the ratio that such Member's aggregate Capital Contributions (calculated following each Additional Capital Contribution) bears to the aggregate Capital Contributions of all Members (calculated following each Additional Capital Contribution) to reflect their total Capital Contributions through such date, and Exhibit A shall be amended accordingly.

69. As the Companies' interests in AMIS LLC represent one of their most significant assets, it is important to maintain the entirety of this interest without dilution.

70. Accordingly, AMI has negotiated and entered into the Interim Financing Term Sheet, pursuant to which the Interim Lender has agreed to provide AMI with a term loan in the amount of \$2,850,000. Attached hereto and marked as **Exhibit “O”** is a true copy of the Interim Financing Term Sheet.
71. The key terms of the Interim Financing Facility are as follows:
- (a) the Interim Lender will provide to AMI a super-priority debtor-in-possession loan in the principal amount of \$2,850,000;
 - (b) advances under the Interim Financing Facility will bear interest at 18%;
 - (c) a financing fee in the amount of \$25,000 is earned and payable by AMI to the Interim Lender on the date the first advance is made pursuant to the Interim Financing;
 - (d) authorized uses of the Interim Financing Facility include for working capital, including for payment of the AMIS LLC capital contribution;
 - (e) it is conditional upon, amongst other things, approval by this Court and upon approval of the Interim Lender’s Charge;
 - (f) the maturity date is the earlier of:
 - (i) three months following the Closing Date (as defined therein); or
 - (ii) an Event of Default (as defined therein) has occurred, which the Interim Lender has not otherwise waived.
72. The Companies believe that obtaining the Interim Financing from the Interim Lender represents the best option available to them taking into account their financial position and circumstances, and that the funding made available under the facility is in the best interests of stakeholders.

ENGAGEMENT OF SALES ADVISOR

73. Following the filing of the Proposal Proceedings, the Companies re-engaged in discussions with the Sales Advisor, who had previously acted as a strategic advisor to the Companies in their Pre-Filing Strategic Process, to continue providing sales and restructuring advisory services to the Companies during the within Proposal Proceedings.

74. The Companies decided to continue the Sales Advisor's engagement due to a variety of factors, including primarily that the Sales Advisor has extensive knowledge and familiarity of the Companies' business and Property, given its prior advisory role to the Companies during the Pre-Filing Strategic Process.
75. Additionally, pursuant to the terms of the Sales Advisor's previous engagement letter with AMI, there was a trailing commission payable by AMI to the Sales Advisor in the event a transaction was completed by AMI in the 12-month period following execution of that agreement. Given the Companies' present liquidity issues, and timelines under the proposed SISP, the Companies anticipate that this trailing commission could become payable to the Sales Advisor in any event. In order to avoid paying commissions to two separate advisors, and improve overall creditor and stakeholder realizations in the Companies' Proposal Proceedings, the Companies believe that continuing to engage the Sales Advisor represents the most economical option.
76. Further, based upon my experience and discussions with the Sales Advisor, I understand that the Sales Advisor is a recognized Canadian expert on mergers and acquisitions. The Sales Advisor has acted as agent or financial advisor in the sale of mining and mineral assets, including in insolvency proceedings. I honestly believe that the Sales Advisor's experience and expertise will assist the Companies in maximizing value to all of their stakeholders.
77. As a result of this, and as noted above, the Companies intend to continue the engagement of the Sales Advisor pursuant to the Engagement Letter entered into between Canaccord Genuity Corp and Athabasca Minerals Inc. on December 5, 2023. Attached hereto and marked as **Confidential Exhibit "1"** is a copy of the Engagement Letter. The Engagement Letter contains commercial information regarding the Sales Advisor's fee structure and the Sales Advisor has expressly requested that the Companies seek a sealing order with respect to the entirety of the Engagement Letter in order to protect its commercial interests.
78. Pursuant to the terms of the Engagement Letter, the Sales Advisor is to assist the Companies with administering the proposed SISP, which assistance will include, amongst other things:

- (a) preparation of marketing materials to advertise the SISP;
- (b) assisting the Companies in establishing a virtual data room for parties to conduct due diligence through the SISP;
- (c) coordinating the execution of confidentiality agreements for parties interested in participating in the SISP;
- (d) reviewing and evaluating bids received through the SISP and providing advice to the Companies with respect thereto; and
- (e) assisting the Companies in closing a transaction(s) under the SISP.

79. Based on my discussions with the Proposal Trustee, I understand that the Proposal Trustee has reviewed the Engagement Letter and is supportive of the Companies continuing to engage the Sales Advisor.

THE STALKING HORSE TERM SHEET & PROPOSED SISP

80. Given the level of interest shown during the Companies' Pre-Filing Strategic Process, the Companies entered the within Proposal Proceedings with the intention of conducting a further sales and investment solicitation process, in order to maximize value for their stakeholders. Further, the level of interest shown in the Companies previously suggested that competitive tension could be achieved by pursuing a stalking horse sales process.

81. As a result, within days after commencing the within Proposal Proceedings, the Companies engaged in discussions with two parties that had participated in the Pre-Filing Strategic Process about the possibility of one of those parties participating as a stalking horse bidder in a subsequent strategic process to be conducted by the Companies within the purview of these Proposal Proceedings.

82. These parties had each submitted bids to acquire or otherwise make an investment in the Companies during the Pre-Filing Strategic Process, and continued to engage in such discussions with the Companies after the NOI filings.
83. On November 22, 2023, through their legal counsel, the Companies invited each of these parties to submit an offer to participate as a stalking horse bidder in the Companies' anticipated SISF for the Companies' review and consideration by no later than 4:00 p.m. (MST) on November 29, 2023 (the "**Offer Deadline**").
84. On November 24, 2023, the Companies received a proposal from JMAC to act as the interim lender. After reviewing the initial JMAC proposal, the Companies' legal counsel had a telephone call on Sunday, November 26, 2023 with JMAC's legal counsel, wherein she advised that there were significant hurdles with JMAC's initial offer that precluded the Companies from advancing its bids without revisions. These hurdles arose from what the Companies viewed as several unworkable requirements set out in JMAC's initial proposal. The primary concern was the apparent attempt by JMAC to expand a right of refusal contained in the LLC Operating Agreement to all of AMI's assets and its shares, a right that AMI disputes, and the chilling effect that provision would have on any sales process.
85. Based on this discussion, the Companies anticipated that the parties understood one another and that JMAC would address these points in a revised offer on or before the Offer Deadline. On the Offer Deadline, the Companies received a revised offer for interim financing together with a stalking horse proposal from JMAC which failed to address the Companies' substantive concerns previously expressed. In particular, the expanded right of first refusal remained in the documents. In addition, the proposal contained exclusivity provisions applicable to the sales process that would further chill the sales process leaving the impression that the stalking horse offer as proposed was a *fait accompli*.
86. On the Offer Deadline, the Companies also received an offer from a third party to participate as a stalking horse bidder in the anticipated SISF. This party did not initially submit a proposal to provide the Companies with interim financing. However, in light of the Companies' liquidity needs, and still facing significant obstacles with the proposals as presented by JMAC, the Companies asked this third party whether they would also be

willing to provide the much needed interim financing. On November 30, 2023, the third party provided terms upon which it would be prepared to advance interim financing. Discussions between the parties ensued and on December 2, 2023, the third party provided the Companies with a term sheet for interim financing, in addition to the stalking horse offer already submitted, largely on the terms set out during its November 30 discussion.

87. With more palatable terms of a stalking horse offer and terms for interim financing being negotiated with this third party, on or about Friday December 1, 2023, the Companies, again through legal counsel, advised JMAC, that they were pursuing a different direction with respect to the stalking horse and interim financing.
88. Over the weekend between Friday December 1st and Monday December 4th, the Companies worked diligently with the third party to finalize the terms respecting a non-binding letter of intent for a stalking horse bid and the provision of interim financing. On the morning of Monday December 4th, 2023, the interim financing term sheet and stalking horse non-binding letter of intent were substantially finalized, but conditional upon the Companies' delivery of the finalized Cash Flow Forecast and a thirteen-week cash flow forecast for AMIS LLC, both of which were to be reviewed by the third party and appended to the interim financing term sheet. These cash flow forecasts would form the basis of the Companies' variance reporting obligations under the draft interim financing term sheet, which then triggered an event of default thereunder if there was a negative variance of more than 20% from these forecasts.
89. A copy of the last bid received by this party is attached hereto as **Confidential Exhibit "2"**, as is a copy of the last iteration of the draft interim financing received from this party by the Companies as **Confidential Exhibit "3"**. The Companies seek a sealing order over these Confidential Exhibits and intend to only provide these Confidential Exhibits to the Court and the Proposal Trustee. These Confidential Exhibits contain commercially sensitive information regarding the terms upon which the other party was willing to participate in this process as a stalking horse bidder, which could adversely impact the Companies' proposed SISF, as well as this third party's participation in the SISF, should

they decide to still participate. The Companies seek to limit this disclosure through the requested sealing order.

90. That same morning on Monday December 4th, the Companies learned from JMAC that it was considering terminating the financing provided to AMIS LLC through the Factoring Agreement. If this Factoring Agreement were terminated, this would have resulted in an inability for AMIS LLC to satisfy its payroll obligations coming due on Friday December 8th, 2023, amongst other payable obligations at the LLC level critical to its operations. Shortly thereafter on the same day, the Companies also received revised proposals from JMAC that substantially addressed the Companies' prior concerns with the proposals.
91. The revised proposals from JMAC also provided, as compared to the third party offer:
 - (a) Greater consideration under the stalking horse offer;
 - (b) A greater principal amount for interim financing;
 - (c) Equivalent or a lower rate of interest for interim financing; and
 - (d) A lower financing fee charged for interim financing.
92. After considering their options, including the improved terms from JMAC and the Companies' real concern about the potential erosion of value for all stakeholders, including shareholders, if the financing was terminated for AMIS LLC, the Companies have determined that the best way to maximize value to their stakeholders is through the conduct of the proposed SISP, which includes the Stalking Horse Term Sheet. Attached hereto and marked as **Exhibits "P"** and **"Q"** respectively are copies of the Stalking Horse Term Sheet and proposed SISP.
93. On December 5, 2023, the Companies and the Stalking Horse Bidder executed the Stalking Horse Term Sheet, which contemplates that the Stalking Horse Bidder will acquire substantially all of the Companies' Property and business, either through a share or asset

sale, and that the Companies will otherwise market their assets for sale through the proposed SISP to determine whether a higher offer can be achieved.

94. In the event a more favourable offer is received for the Companies' assets through the SISP, the Stalking Horse Bidder would be entitled to an Expense Reimbursement of \$200,000. There is no break fee contemplated under the Stalking Horse Term Sheet.
95. The Companies have consulted with the Proposal Trustee in respect of the quantum of the Expense Reimbursement and I understand, based on those discussions, that the amount is reflective of other Expense Reimbursements granted in similar insolvency processes, and that the Proposal Trustee is supportive of such amount being payable in the event the Stalking Horse Bidder is not selected as the successful bidder.
96. The purchase price pursuant to the Stalking Horse Term Sheet is \$13,000,000 and is to be paid by the Stalking Horse Bidder as follows:
 - (a) a non-cash credit reduction of the obligations outstanding at closing under the Interim Financing Facility and the JMAC Facility, respectively; and
 - (b) the balance paid in cash on closing.
97. The proposed SISP contemplates a single phase sales process, whereby participants are invited to submit a final binding bid by January 31, 2024. In the event offers superior to the Stalking Horse Term Sheet are received, the Companies will hold a run-off auction, to be conducted on Microsoft Teams through open rounds of bidding, until the highest and best price is achieved.
98. The proposed SISP was developed in consultation with the Companies' professional advisors and the Proposal Trustee. The Companies, in consultation with the Proposal Trustee, consider that the proposed SISP, within the Proposal Proceedings, is in their and their creditors' and stakeholders' best interests. The Companies' expectations are that themselves, their creditors, and their other stakeholders, including their respective shareholders, will derive a greater benefit from the proposed SISP than through a liquidation in a receivership or a bankruptcy.

99. I honestly believe that the inclusion of the Stalking Horse Term Sheet in the Companies' proposed SISP will set a baseline for bidding in that process and provide competitive tension to the process, thereby maximizing the value to be derived with respect to the Companies and their Property and business.

THE PROPOSED KERP

100. Two members of the Companies' Management Team, including myself, have developed the proposed KERP in consultation with the Companies' professional advisors and the Proposal Trustee.
101. The KERP proposed is limited and includes six of the Companies' nine employees. As previously mentioned, significant staff reductions were made prior to the Companies entering Proposal Proceedings. As a result, the Companies' staffing complement is currently limited. Each of the proposed beneficiaries of the KERP are necessary to ensure operations in all of the Companies' business divisions continue as smoothly as possible. Further, they all possess institutional knowledge regarding the Companies' business and Properties, which knowledge is essential for maximizing value under the proposed SISP.
102. The proposed KERP beneficiaries include:
- (a) members of the Management Team who are responsible for developing, implementing and overseeing the Companies' overall strategic business initiatives;
 - (b) individuals responsible for board governance, communications between the board and stakeholders, managing regulatory relationships and ensuring regulatory compliance with the applicable securities regulator and regulations, investor relations, and human resources;
 - (c) individuals responsible for sales, logistics and operations, developing and building customer relationships, developing pricing strategies, developing strategies to manage supply chain performance for productivity, ensuring compliance of operations with municipal, provincial and federal requirements, negotiating new contracts with customers, providing professional review and guidance on mine

planning and design, and developing and reviewing resource and reserve calculations; and

- (d) individuals responsible for field exploration programs associated with the Companies' mineral interests, including preparation of geological and geophysical resource assessment reports, reviewing and analyzing field test samples, and preparation of associated regulatory applications to secure mineral resources.
103. Certain of the key employees will also be necessary to assist with the implementation of the proposed SISP through the delivery of management presentations, conducting site visits to the Companies' various property interests, and responding to inquiries raised by prospective bidders through the SISP.
104. Lastly, the Companies have serious concerns that these key employees will seek alternative employment if not properly incentivized to remain with the Companies during their restructuring process, and in particular the proposed SISP. Certain critical individuals have indicated they might be looking for alternative employment. As noted above, it would be difficult to replace any of these key individuals in the timeframe required, given their respective unique knowledge and skill sets, familiarity with the Companies' business and Property, coupled with their relationships with the Companies' customers and strategic partners.
105. The Companies believe it is therefore critical to provide an incentive to these key employees to remain with the Companies to assist with the ongoing restructuring efforts. Accordingly, the Companies have worked at length with the Proposal Trustee to develop the proposed KERP. The key terms of the proposed KERP are as follows:
- (a) KERP participants are eligible to receive a payment based on a percentage of their annual salary that ranges between 16% to 50%, which percentage is based upon the employee's seniority within the Companies, and expected contribution to the Companies' restructuring efforts;

- (b) so long as the conditions precedent to payment are met, KERP participants are eligible to receive their respective KERP payments upon certain “Trigger Events” in the Companies’ restructuring as follows:
- (i) 25% of the total KERP payment payable to each KERP participant is payable upon the Court’s approval of the proposed SISP, and
 - (ii) the remaining 75% of the total KERP payment payable to each KERP participant is payable upon the earliest of:
 - (1) the Companies successfully implementing a proposal to their creditors in the Proposal Proceedings;
 - (2) the Companies successfully implementing a plan of arrangement or compromise, in the event the Proposal Proceedings are converted to proceedings under the Companies’ Creditors Arrangement Act, RSC 1985, c C-36, as amended (the “CCAA”);
 - (3) the Companies successfully close a transaction for all, or substantially all of, their business or Property; or
 - (4) a bankruptcy event respecting the Companies occurs, which could include any one of the following events: a receiver is appointed over the Companies and their property, the Companies’ assets are assigned to a Trustee in bankruptcy, or a bankruptcy order is made respecting the Companies;
- (c) in order to be eligible to receive their respective KERP payment, participants must satisfy certain conditions precedent to payment, including that:
- (i) they have remained employed with the Companies through to the applicable Trigger Event;
 - (ii) they must fulfil their performance expectations; and
 - (iii) they must have maintained the confidentiality of the KERP, as required thereunder;
- (d) the maximum aggregate amount payable under the proposed KERP is approximately \$260,000.

106. The Companies seek the Court’s approval of the proposed KERP and granting of the corresponding KERP Charge up to the maximum amount of \$260,000 to secure the

payment of the Companies' obligations thereunder. The Companies are seeking a single KERP Charge over the Companies' Property that would be subordinate to each of: (i) the Administration Charge; (ii) the Interim Lender's Charge; (iii) the Sales Advisor's Charge; and (iv) the Directors' Charge.

107. The Companies believe that the proposed KERP and granting of the corresponding KERP Charge provides an incentive to key employees to remain with the Companies during this critical time, to provide stability to the Companies through the process and to assist with the restructuring proceedings, including the proposed SISP, to ensure value is maximized for all stakeholders.
108. Based on my discussions with the Proposal Trustee and the Companies' legal counsel, I understand that the Proposal Trustee supports the Companies' request for approval of the proposed KERP and the corresponding KERP Charge. Further, as noted in the Interim Financing Term Sheet, JMAC has reviewed the quantum of the KERP Charge and has approved it.
109. A copy of the proposed KERP is attached hereto as **Confidential Exhibit "4"**, for which the Companies seek a sealing order. The KERP contains commercially sensitive and personal information of the beneficiaries listed therein. It reveals individually identifiable information, including, among other things, compensation information. Disclosure of such sensitive personal information may cause harm to the KERP beneficiaries. The Companies seek to protect this personal data through the requested sealing order.

THE ADDITIONAL PRIORITY CHARGES

Administration Charge

110. The Companies are seeking approval of the Administration Charge up to the maximum amount of \$350,000, in order to secure payment of the professional fees in favour of the Proposal Trustee, the Proposal Trustee's counsel, and counsel to the Companies. All of the beneficiaries of the Administration Charge have contributed, and will continue to contribute, to the Company's restructuring efforts.

111. It is proposed that the Administration Charge have a first-ranking priority. The Interim Lender is aware of the priority sought with respect to the Administration Charge. The Interim Financing Term Sheet specifically provides that the Administration Charge would have priority over the Interim Lender's Charge.

Directors' Charge

112. The director and officers of the Companies (collectively the "**Directors and Officers**") have been actively involved in the Companies' efforts to address their challenging financial circumstances, including through overseeing the Company's liquidity management efforts, the Companies' review and exploration of strategic options and alternatives, communications with key creditors and stakeholders, and the preparation for and commencement of these Proposal Proceedings. The Directors and Officers have been mindful of their duties with respect to their supervision and guidance of the Companies in advance of these Proposal Proceedings.
113. It is my understanding, based on advice from the Companies' legal counsel, that in certain circumstances directors and officers may be held personally liable for certain corporate obligations, including in connection with unpaid salaries and wages, unremitted source deductions and sales taxes, and certain environmental obligations.
114. Continental Casualty Company maintains a primary directors and officers insurance policy, along with excess directors and officers insurance maintained by Trisura Guarantee Insurance Company and Allied World Specialty Insurance Company, which provides the Directors and Officers with \$15 million of insurance coverage (the "**D&O Insurance Policy**"), which expires on July 31, 2024.
115. The D&O Insurance Policy insures the Directors and Officers for certain claims that may arise against them in their capacity as such. However, the D&O Insurance Policy contains certain exclusions and limitations to the coverage provided, and there is the potential for there to be insufficient coverage in respect of claims against the Directors and Officers.
116. The Directors and Officers have expressed their desire for certainty with respect to the potential personal liability if they continue in their current capacities. The Companies

require the active and committed involvement of the Directors and Officers in order to carry on their business during the Proposal Proceedings and to pursue potential strategic options and alternatives, for the benefit of their stakeholders, including the implementation of the proposed SISP.

117. The Directors and Officers have considerable industry and operational knowledge regarding the Companies' inherently complex business of aggregate and industrial minerals exploration and production, which will assist in maximizing value through the proposed SISP.
118. The Companies are therefore requesting that the Directors' Charge be granted in the amount of \$60,000 over the Company's Property to secure the indemnity of the Directors and Officers in respect of obligations and liabilities that they may incur during the Proposal Proceedings in their capacities as Directors and Officers. The amount of the Directors' Charge has been calculated based on the estimated exposure of the Directors and Officers for unremitted employee wages, source deductions, GST and PST, which may be incurred by the Companies during the requested 45-day proposal and Stay Extension period. Further, the amount was reviewed with the Proposal Trustee.
119. The proposed Directors' Charge would apply only to the extent that the Directors and Officers do not have coverage under the D&O Insurance Policy, or there is insufficient coverage.

CONSOLIDATION OF PROPOSAL PROCEEDINGS

120. As described above, the Companies' business is fully integrated. I believe that the restructuring of the Companies can be administered most efficiently through a single, coordinated restructuring process. This will reduce the costs of the process and also the time necessary to complete the process, which is intended to increase recoveries to all stakeholders. It will also facilitate the implementation of the Stalking Horse APA, should it be the successful bidder pursuant to the proposed SISP, or otherwise the successful bid thereunder. The Companies are therefore requesting the authorization of this Court to consolidate the seven Proposal Proceedings into a single proceeding.

EXTENSION OF THE TIME TO FILE A PROPOSAL & STAY OF PROCEEDINGS

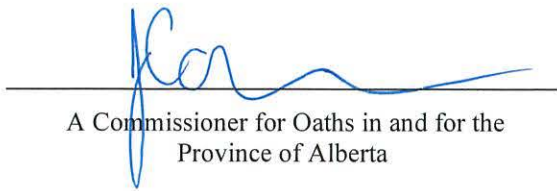
121. Having filed notices of intention to make a proposal (“NOIs”) to their creditors on November 13, 2023, the Companies presently have until December 13, 2023 to do so, unless the Court orders otherwise. The Companies are seeking both an extension of the time within which they can make a proposal to their creditors, and an extension of the corresponding stay of proceedings, up to and including January 26, 2024, being 45 days from December 12, 2023.
122. Since filing their NOIs, the Companies, with the oversight and assistance of the Proposal Trustee, have been working diligently to maintain the stability of their operations and business, manage their liquidity position, and review potential strategic options and alternatives to address their financial position.
123. In particular, the Companies have:
- (i) in consultation with the Proposal Trustee, continued to notify suppliers and vendors, employees and various other stakeholders of these Proposal Proceedings;
 - (ii) in consultation with the Proposal Trustee, continued to respond to inquiries from stakeholders regarding the continued operations of the Companies business during these Proposal Proceedings, payment of pre-filing amounts and amounts accruing during these Proposal Proceedings, and various other issues;
 - (iii) negotiated the terms of the Interim Financing Term Sheet and Interim Facility with the Interim Lender;
 - (iv) developed the proposed SISP, in consultation with the Proposal Trustee,
 - (v) began populating a data room for the intended SISP;
 - (vi) began preparing the Teaser, contemplated under the proposed SISP;
 - (vii) negotiated the Stalking Horse Term Sheet with the Stalking Horse Bidder;
 - (viii) developed the proposed KERP, in consultation with the Proposal Trustee; and
 - (ix) in consultation with the Proposal Trustee, reviewed their forecasted operating costs and expenses to reduce unnecessary expenses and conserve capital during these Proposal Proceedings.

124. The Companies have been acting in good faith and with due diligence throughout these Proposal Proceedings. The requested proposal and Stay Extensions will allow the Companies time to implement the proposed SISP.
125. Given the expressions of interest in the Companies' Property and business received to date from third parties, including during the Pre-Filing Strategic Process, the competition in the selection of the Stalking Horse Bidder, and the amount of the Stalking Horse bid, the Companies anticipate being in a position to repay their creditors in full and potentially even make small distributions to equity holders at the conclusion of these Proposal Proceedings. The Companies honestly believe that no creditors would be materially prejudiced by the extensions being applied for.

EXTENSION OF TIME TO HOLD AGM

126. On August 24, 2023, AMI obtained an order from the Court in Court Action No. 2301-10649, extending the time for it to hold its next AGM of its shareholders to December 31, 2023. A copy of that order is attached hereto as **Exhibit "R"**.
127. On November 29, 2023, AMI obtained a further order from the Court in that same action, further extending the time for it to hold its next AGM of its shareholders to January 31, 2024. A copy of that order is attached hereto as **Exhibit "S"**. The extension was granted to January 31, 2024 on AMI's request, on the basis that AMI knew it would be seeking the Court's approval on December 12, 2023, to further extend the AGM until three months after a restructuring, if still required by the statute. If the relief is not granted, then AMI will still have time to call the AGM by January 31, 2024 and importantly, not find itself in breach of a court order.
128. Given the public nature of the within Proposal Proceedings, including the establishment by the Proposal Trustee of a website containing all of the pleadings and proceedings filed in the Proposal Proceedings, shareholders have access to information regarding the Companies' ongoing restructuring efforts, as well as current financial information.
129. As a public company, AMI is also required to continue to update its filings on SEDAR+.

This is Exhibit "A"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
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Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3009380
Estate No. 25-3009380

In the Matter of the Notice of Intention to make a proposal of:

Athabasca Minerals Inc.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

November 13, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 14, 2023, 10:28

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

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des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3009384
Estate No. 25-3009384

In the Matter of the Notice of Intention to make a proposal of:

AMI Silica Inc.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

November 13, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 14, 2023, 10:37

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3009386
Estate No. 25-3009386

In the Matter of the Notice of Intention to make a proposal of:

AMI Aggregates Inc.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

November 13, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 14, 2023, 10:40

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3009385
Estate No. 25-3009385

In the Matter of the Notice of Intention to make a proposal of:

AMI RockChain Inc.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

November 13, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 14, 2023, 10:39

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3009379
Estate No. 25-3009379

In the Matter of the Notice of Intention to make a proposal of:

TerraShift Engineering Ltd.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

November 13, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 14, 2023, 10:30

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3009389
Estate No. 25-3009389

In the Matter of the Notice of Intention to make a proposal of:

2132561 Alberta Ltd.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

November 13, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 14, 2023, 10:41

E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada



Industry Canada
Office of the Superintendent
of Bankruptcy Canada

Industrie Canada
Bureau du surintendant
des faillites Canada

District of Alberta
Division No. 02 - Calgary
Court No. 25-3009398
Estate No. 25-3009398

In the Matter of the Notice of Intention to make a proposal of:

2140534 Alberta Ltd.

Insolvent Person

KSV RESTRUCTURING INC.

Licensed Insolvency Trustee

Date of the Notice of Intention:

November 13, 2023

CERTIFICATE OF FILING OF A NOTICE OF INTENTION TO MAKE A PROPOSAL
Subsection 50.4 (1)

I, the undersigned, Official Receiver in and for this bankruptcy district, do hereby certify that the aforementioned insolvent person filed a Notice of Intention to Make a Proposal under subsection 50.4 (1) of the Bankruptcy and Insolvency Act;

Pursuant to subsection 69. (1) of the Act, all proceedings against the aforementioned insolvent person are stayed as of the date of filing of the Notice of Intention.

Date: November 14, 2023, 10:42

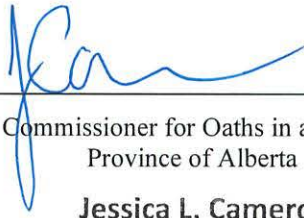
E-File/Dépôt Electronique

Official Receiver

Harry Hays Building, 220 - 4th Ave SE, Suite 478, Calgary, Alberta, Canada, T2G4X3, (877)376-9902

Canada

This is Exhibit “**B**”
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/11/13
Time of Search: 09:04 AM
Search provided by: FASKEN MARTINEAU DUMOULIN LLP
Service Request Number: 40860531
Customer Reference Number:

Corporate Access Number: 2014386136
Business Number: 802063073
Legal Entity Name: ATHABASCA MINERALS INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Method of Registration: Amalgamation
Registration Date: 2008/11/20 YYYY/MM/DD

Registered Office:

Street: 3200, 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Records Address:

Street: 3200, 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Email Address: CORP@RMRF.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
FARMER	R.	ALLAN	REYNOLDS MIRTH RICHARDS & FARMER LLP	3200 10180 - 101 STREET	EDMONTON	ALBERTA	T5J3W8	AFARMER@RMRF.COM

Directors:

Last Name: MCCREARY

First Name: JONATHAN
Street/Box Number: 1510 ANTON PLACE
City: WENATCHEE
Province: WASHINGTON
Postal Code: 98801

Last Name: NOLAN
First Name: DALE
Street/Box Number: 54 LIVINGSTON CLOSE
City: LACOMBE
Province: ALBERTA
Postal Code: T4L2J3

Last Name: PAULENCU
First Name: DON
Street/Box Number: 395 ESTATE DRIVE
City: SHERWOOD PARK
Province: ALBERTA
Postal Code: T8B1L9

Transfer Agents:

Legal Entity Name: TSX TRUST COMPANY
Corporate Access Number: 3019653827
Street: 300 - 5TH AVENUE SW, 10TH FLOOR
City: CALGARY
Province: ALBERTA
Postal Code: T2P3C4

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SHARE STRUCTURE SCHEDULE ATTACHED HERETO
Share Transfers Restrictions: NO RESTRICTIONS
Min Number Of Directors: 3
Max Number Of Directors: 15
Business Restricted To: NO RESTRICTIONS
Business Restricted From: NO RESTRICTIONS
Other Provisions: SEE OTHER RULES OR PROVISIONS SCHEDULE ATTACHED HERETO

Holding Shares In:

Legal Entity Name

AMI ROCKCHAIN INC.
AMI SILICA INC.
2132561 ALBERTA LTD.
2140534 ALBERTA LTD.
AMI AGGREGATES INC.
LANDMARK SOIL TREATMENT LTD.

Other Information:

Amalgamation Predecessors:

Corporate Access Number	Legal Entity Name
207413071	AGGREGATES MANAGEMENT INC.
2014386045	ATHABASCA MINERALS INC.

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2022	2022/12/06

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2008/11/20	Amalgamate Alberta Corporation
2015/08/20	Change Address
2020/02/19	Update BN
2022/03/14	Change Agent for Service
2022/12/06	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2023/04/25	Change Director / Shareholder

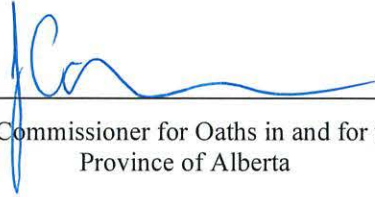
Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Statutory Declaration	10000105101205020	2008/11/20
Share Structure	ELECTRONIC	2008/11/20
Other Rules or Provisions	ELECTRONIC	2008/11/20

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



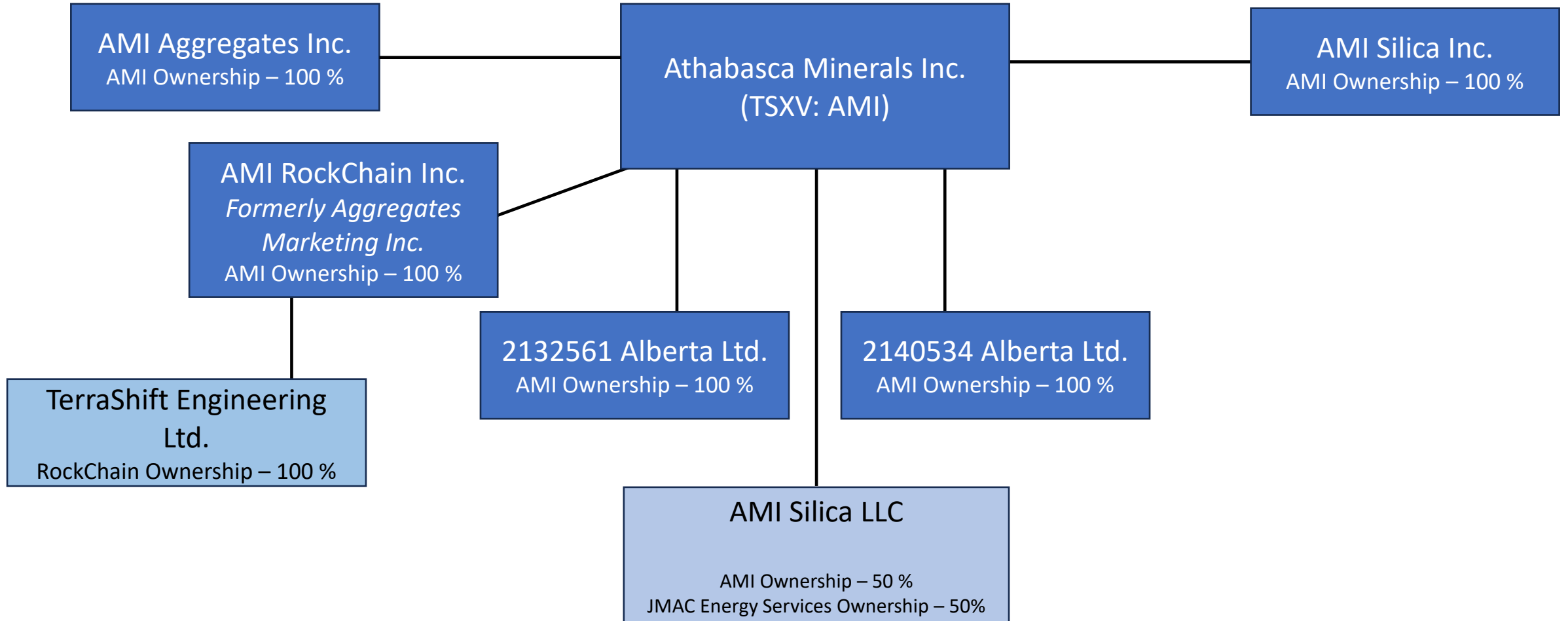
This is Exhibit "C"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



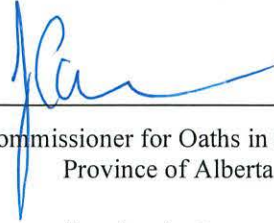
A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

CORPORATE ORGANIZATIONAL CHART



This is Exhibit "D"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/11/13
Time of Search: 11:21 AM
Search provided by: FASKEN MARTINEAU DUMOULIN LLP
Service Request Number: 40861289
Customer Reference Number: 318938.00001

Corporate Access Number: 2021215138
Business Number: 747182889
Legal Entity Name: AMI SILICA INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2018/05/30 YYYY/MM/DD

Registered Office:

Street: 3200, 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Records Address:

Street: 3200, 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Email Address: CORP@RMRF.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
FARMER	R.	ALLAN	REYNOLDS MIRTH RICHARDS & FARMER LLP	3200 10180 - 101 STREET	EDMONTON	ALBERTA	T5J3W8	AFARMER@RMRF.COM

Directors:

Last Name: ARCHIBALD
First Name: DANA

Street/Box Number: 4409 94 STREET NW

City: EDMONTON

Province: ALBERTA

Postal Code: T6E6T7

Last Name: CHURCHILL

First Name: JOHN

Middle Name: DAVID

Street/Box Number: 620, 407 - 2 STREET SW

City: CALGARY

Province: ALBERTA

Postal Code: T2P2Y3

Voting Shareholders:

Legal Entity Name: ATHABASCA MINERALS INC.

Corporate Access Number: 2014386136

Street: 3200, 10180- 101 STREET

City: EDMONTON

Province: ALBERTA

Postal Code: T5J3W8

Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE "A"

Share Transfers Restrictions: SEE ATTACHED SCHEDULE "B"

Min Number Of Directors: 1

Max Number Of Directors: 7

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: SEE ATTACHED SCHEDULE "C"

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2023	2023/05/16

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2018/05/30	Incorporate Alberta Corporation
2020/02/23	Update BN
2021/10/27	Change Agent for Service
2022/08/16	Change Director / Shareholder
2023/05/16	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2018/05/30
Restrictions on Share Transfers	ELECTRONIC	2018/05/30
Other Rules or Provisions	ELECTRONIC	2018/05/30

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/11/13
Time of Search: 11:20 AM
Search provided by: FASKEN MARTINEAU DUMOULIN LLP
Service Request Number: 40861286
Customer Reference Number: 318938.00001

Corporate Access Number: 2021736299
Business Number: 792500001
Legal Entity Name: AMI AGGREGATES INC.

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2019/02/15 YYYY/MM/DD

Registered Office:

Street: 3200, 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Records Address:

Street: 3200, 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Email Address: CORP@RMRF.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
FARMER	R.	ALLAN	REYNOLDS MIRTH RICHARDS & FARMER LLP	3200, 10180 - 101 STREET N.W.	EDMONTON	ALBERTA	T5J3W8	AFARMER@RMRF.COM

Directors:

Last Name: ARCHIBALD
First Name: DANA

Street/Box Number: 4409 - 94 STREET NW

City: EDMONTON

Province: ALBERTA

Postal Code: T6E6T7

Last Name: CHURCHILL

First Name: JOHN

Middle Name: DAVID

Street/Box Number: 620, 407 - 2 STREET SW

City: CALGARY

Province: ALBERTA

Postal Code: T2P2Y3

Voting Shareholders:

Legal Entity Name: ATHABASCA MINERALS INC.

Corporate Access Number: 2014386136

Street: 4409 94 STREET NW

City: EDMONTON

Province: ALBERTA

Postal Code: T6E6T7

Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE SCHEDULE "A"

Share Transfers Restrictions: SEE SCHEDULE "B"

Min Number Of Directors: 1

Max Number Of Directors: 7

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: SEE SCHEDULE "C"

Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
MGT LIMESTONE	TN24224958

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2023	2023/02/02

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2019/02/15	Incorporate Alberta Corporation
2021/05/28	Change Agent for Service
2021/06/21	Update Business Number Legal Entity
2023/02/02	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2023/04/26	Change Director / Shareholder

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2019/02/15
Restrictions on Share Transfers	ELECTRONIC	2019/02/15
Other Rules or Provisions	ELECTRONIC	2019/02/15

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/11/13
Time of Search: 11:24 AM
Search provided by: FASKEN MARTINEAU DUMOULIN LLP
Service Request Number: 40861260
Customer Reference Number: 318938.00001

Corporate Access Number: 2021063629

Business Number:

Legal Entity Name: AMI ROCKCHAIN INC.

Name History:

Previous Legal Entity Name	Date of Name Change (YYYY/MM/DD)
AGGREGATES MARKETING INC.	2020/01/14

Legal Entity Status: Active
Alberta Corporation Type: Named Alberta Corporation
Registration Date: 2018/03/19 YYYY/MM/DD

Registered Office:

Street: 3200, 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Records Address:

Street: 3200, 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Email Address: CORP@RMRF.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
FARMER	R.	ALLAN	REYNOLDS MIRTH RICHARDS	3200 10180 - 101 STREET	EDMONTON	ALBERTA	T5J3W8	AFARMER@RMRF.COM

Directors:

Last Name: ARCHIBALD
First Name: DANA
Street/Box Number: 4409 94 ST NW
City: EDMONTON
Province: ALBERTA
Postal Code: T6E6T7

Last Name: CHURCHILL
First Name: JOHN
Middle Name: DAVID
Street/Box Number: 1730-407 2 ST SW
City: CALGARY
Province: ALBERTA
Postal Code: T2P2Y3

Voting Shareholders:

Legal Entity Name: ATHABASCA MINERALS INC.
Corporate Access Number: 2014386136
Street: 4409 - 94 STREET NW
City: EDMONTON
Province: ALBERTA
Postal Code: T6E6T7
Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: SEE ATTACHED SCHEDULE "A"
Share Transfers Restrictions: SEE ATTACHED SCHEDULE "B"
Min Number Of Directors: 1
Max Number Of Directors: 7
Business Restricted To: NONE
Business Restricted From: NONE
Other Provisions: SEE ATTACHED SCHEDULE "C"

Holding Shares In:

Legal Entity Name

TERRASHIFT ENGINEERING LTD.

AMI ACCURATE ROCK PRODUCTS INC.

Associated Registrations under the Partnership Act:

Trade Partner Name	Registration Number
AGGREGATES MARKETING	TN22448930

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2023	2023/03/02

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2018/03/19	Incorporate Alberta Corporation
2020/01/14	Name Change Alberta Corporation
2021/09/15	Name/Structure Change Alberta Corporation
2022/03/14	Change Agent for Service
2023/03/02	Enter Annual Returns for Alberta and Extra-Provincial Corp.
2023/08/08	Change Director / Shareholder

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2018/03/19
Restrictions on Share Transfers	ELECTRONIC	2018/03/19
Other Rules or Provisions	ELECTRONIC	2018/03/19
Consolidation, Split, Exchange	ELECTRONIC	2021/09/15

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/11/13
Time of Search: 11:21 AM
Search provided by: FASKEN MARTINEAU DUMOULIN LLP
Service Request Number: 40861296
Customer Reference Number: 318938.00001

Corporate Access Number: 2021325614
Business Number: 742067317
Legal Entity Name: 2132561 ALBERTA LTD.

Legal Entity Status: Active
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2018/07/20 YYYY/MM/DD

Registered Office:

Street: 3200 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Records Address:

Street: 3200 10180 - 101 STREET
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Email Address: CORP@RMRF.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
FARMER	R.	ALLAN	REYNOLDS MIRTH RICHARDS & FARMER LLP	3200 10180 - 101 STREET	EDMONTON	ALBERTA	T5J3W8	AFARMER@RMRF.COM

Directors:

Last Name: ARCHIBALD
First Name: DANA

Street/Box Number: 4409 94 STREET NW

City: EDMONTON

Province: ALBERTA

Postal Code: T6E6T7

Last Name: CHURCHILL

First Name: JOHN

Middle Name: DAVID

Street/Box Number: 620, 407 - 2 STREET SW

City: CALGARY

Province: ALBERTA

Postal Code: T2P2Y3

Voting Shareholders:

Legal Entity Name: ATHABASCA MINERALS INC.

Corporate Access Number: 2014386136

Street: 3800 BOW VALLEY SQ 2, 2015 - 5 AVENUE SW

City: CALGARY

Province: ALBERTA

Postal Code: T2P2V7

Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: AS PER ATTACHED SCHEDULE "A"

Share Transfers Restrictions: NO SHARES OF THE CAPITAL OF THE CORPORATION MAY BE TRANSFERRED WITHOUT THE PRIOR CONSENT OF THE DIRECTORS OF THE CORPORATION EXPRESSED BY RESOLUTION.

Min Number Of Directors: 1

Max Number Of Directors: 7

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: AS PER ATTACHED SCHEDULE "B"

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2023	2023/07/11

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2018/07/20	Incorporate Alberta Corporation
2020/02/23	Update BN
2021/03/12	Change Address
2022/03/14	Change Agent for Service
2022/08/16	Change Director / Shareholder
2023/07/11	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2018/07/20
Other Rules or Provisions	ELECTRONIC	2018/07/20

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.



Government Corporation/Non-Profit Search of Alberta ■ Corporate Registration System

Date of Search: 2023/11/13
Time of Search: 11:22 AM
Search provided by: FASKEN MARTINEAU DUMOULIN LLP
Service Request Number: 40861299
Customer Reference Number: 318938.00001

Corporate Access Number: 2021405341
Business Number: 772461877
Legal Entity Name: 2140534 ALBERTA LTD.

Legal Entity Status: Active
Alberta Corporation Type: Numbered Alberta Corporation
Registration Date: 2018/08/30 YYYY/MM/DD

Registered Office:

Street: 3200 10180 - 101 STREET NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Records Address:

Street: 3200 10180 - 101 STREET NW
City: EDMONTON
Province: ALBERTA
Postal Code: T5J3W8

Email Address: CORP@RMRF.COM

Primary Agent for Service:

Last Name	First Name	Middle Name	Firm Name	Street	City	Province	Postal Code	Email
FARMER	R.	ALLAN	REYNOLDS MIRTH RICHARDS & FARMER LLP	3200 10180 - 101 STREET	EDMONTON	ALBERTA	T5J3W8	AFARMER@RMRF.COM

Directors:

Last Name: ARCHIBALD
First Name: DANA

Street/Box Number: 4409 94 STREET NW

City: EDMONTON

Province: ALBERTA

Postal Code: T6E6T7

Last Name: CHURCHILL

First Name: JOHN

Middle Name: DAVID

Street/Box Number: 620, 407 - 2 STREET SW

City: CALGARY

Province: ALBERTA

Postal Code: T2P2Y3

Voting Shareholders:

Legal Entity Name: ATHABASCA MINERALS INC.

Corporate Access Number: 2014386136

Street: 4409 94 STREET NW

City: EDMONTON

Province: ALBERTA

Postal Code: T6E6T7

Percent Of Voting Shares: 100

Details From Current Articles:

The information in this legal entity table supersedes equivalent electronic attachments

Share Structure: AS PER ATTACHED SCHEDULE "A"

Share Transfers Restrictions: NO SHARES OF THE CAPITAL OF THE CORPORATION MAY BE TRANSFERRED WITHOUT THE PRIOR CONSENT OF THE DIRECTORS OF THE CORPORATION EXPRESSED BY RESOLUTION

Min Number Of Directors: 1

Max Number Of Directors: 7

Business Restricted To: NONE

Business Restricted From: NONE

Other Provisions: AS PER ATTACHED SCHEDULE "B"

Other Information:

Last Annual Return Filed:

File Year	Date Filed (YYYY/MM/DD)
2023	2023/08/08

Filing History:

List Date (YYYY/MM/DD)	Type of Filing
2018/08/30	Incorporate Alberta Corporation
2020/02/23	Update BN
2021/03/26	Change Address
2022/02/22	Change Agent for Service
2022/10/04	Change Director / Shareholder
2023/08/08	Enter Annual Returns for Alberta and Extra-Provincial Corp.

Attachments:

Attachment Type	Microfilm Bar Code	Date Recorded (YYYY/MM/DD)
Share Structure	ELECTRONIC	2018/08/30
Other Rules or Provisions	ELECTRONIC	2018/08/30

The Registrar of Corporations certifies that, as of the date of this search, the above information is an accurate reproduction of data contained in the official public records of Corporate Registry.





Corporate Profile / Profil corporatif

Date and time of Corporate Profile (YYYY-MM-DD)	2023-11-13 1:27 PM	(AAAA-MM-JJ) Date et heure du Profil corporatif
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CORPORATE INFORMATION		RENSEIGNEMENTS CORPORATIFS
Corporate name	Dénomination	
	TerraShift Engineering Ltd.	
Corporation number	1040922-7	Numéro de société ou d'organisation
Business number	791358310	Numéro d'entreprise
Governing legislation	Régime législatif	
	Canada Business Corporations Act (CBCA) - 2017-09-29	
	Loi canadienne sur les sociétés par actions (LCSA) - 2017-09-29	
Status	Statut	
	Active	
	Active	

REGISTERED OFFICE ADDRESS	ADRESSE DU SIÈGE
	3200, 10180 - 101 STREET N.W. EDMONTON AB T5J 3W8 Canada

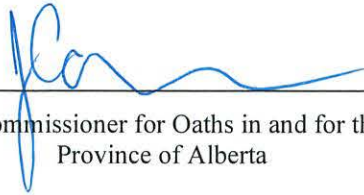
ANNUAL FILINGS	DÉPÔTS ANNUELS	
Anniversary date (MM-DD)	09-29	(MM-JJ) Date anniversaire
Filing period (MM-DD)	09-29 to/au 11-28	(MM-JJ) Période de dépôt
Status of annual filings	Statut des dépôts annuels	
	Due to be filed	2023
	Filed	2022
	Filed	2021
	Dépôt dû	
	Déposé	
	Déposé	
Date of last annual meeting (YYYY-MM-DD)	2022-09-29	(AAAA-MM-JJ) Date de la dernière assemblée annuelle
Type	Type	
	Non-distributing corporation with 50 or fewer shareholders	
	Société n'ayant pas fait appel au public et comptant 50 actionnaires ou moins	

DIRECTORS		ADMINISTRATEURS
Minimum number	2	Nombre minimal
Maximum number	6	Nombre maximal
Current number	3	Nombre actuel
John David Churchill	620, 407 - 2 Street SW, Calgary AB T2P 2Y3, Canada	
Dana Archibald	4409 94 Street Northwest, Edmonton AB T6E 6T7, Canada	
Paul Leveille	4409 94 Street NW, Edmonton AB T6E 6T7, Canada	

CORPORATE HISTORY		HISTORIQUE CORPORATIF
Corporate name history (YYYY-MM-DD)		(AAAA-MM-JJ) Historique de la dénomination
2017-09-29 to present / à maintenant	TerraShift Engineering Ltd.	
Certificates issued (YYYY-MM-DD)		(AAAA-MM-JJ) Certificats émis
Certificate of Incorporation	2017-09-29	Certificat de constitution en société
Certificate of Amendment	2020-02-24	Certificat de modification
Amendment details:		Renseignements concernant les modifications aux statuts :
Number of directors		Nombre d'administrateurs
Certificate of Amendment	2020-08-05	Certificat de modification
Amendment details:		Renseignements concernant les modifications aux statuts :
Other		Autre
Amendments details are only available for amendments effected after 2010-03-20. Some certificates issued prior to 2000 may not be listed.	Seuls les renseignements concernant les modifications effectuées après 2010-03-20 sont disponibles. Certains certificats émis avant 2000 pourraient ne pas être listés.	
Documents filed (YYYY-MM-DD)		(AAAA-MM-JJ) Documents déposés

<p>The Corporate Profile sets out the most recent information filed with and accepted by Corporations Canada as of the date and time set out on the Profile.</p>	<p>Le Profil corporatif fait état des renseignements fournis et acceptés par Corporations Canada à la date et à l'heure indiquées dans le profil.</p>
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This is Exhibit "E"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

Athabasca Minerals Inc. Announces Requirement to Restate Its Financial Statements and MD&A and Postponement of the Special Meeting

Edmonton, Alberta--(Newsfile Corp. - October 30, 2023) - Athabasca Minerals Inc. (TSXV: AMI) ("**Athabasca**" or the "**Corporation**") announces that, based on discussions with its auditors, the Corporation is required to amend and restate its audited consolidated financial statements for the years ended December 31, 2021 and December 31, 2022 ("**Annual Financial Statements**") and the associated Management's Discussion & Analysis, as well as the interim condensed consolidated financial statements and the associated Management's Discussion & Analysis for the three and six month periods ended June 30, 2023 (together with the Annual Financial Statements, collectively, the "**Consolidated Financial Statements**").

The Corporation is required to amend and restate the Consolidated Financial Statements as at and for the years ending December 31, 2021 and December 31, 2022 as the accounting position of a joint operation taken on the set up of its joint arrangement in AMI Silica LLC, entered into in 2021 (the "**Joint Arrangement**") was found to be incorrect. The accounting conclusion in question concerns whether the Joint Arrangement should be accounted for as a joint venture or a joint operation. A joint operator, in its consolidated financial statements, recognizes assets, liabilities and net income of the joint operation in relation to the joint operator's interest in the joint operation whereas a party to a joint venture recognizes its interest in the joint venture as an investment at cost which is adjusted thereafter for the post-acquisition change in the party's share of the joint venture's net assets. The Corporation is working expeditiously to restate its Consolidated Financial Statements, and such Consolidated Financial Statements and related filings (the "**Amended Filings**") will be filed on SEDAR+ (www.sedarplus.ca) once they have been finalized.

As a result of Athabasca restating its Consolidated Financial Statements, and to ensure that all shareholders and optionholders of Athabasca (collectively, "**Athabasca Securityholders**") have an opportunity to review the Consolidated Financial Statements, the Corporation is postponing (the "**Postponement**") the special meeting of Athabasca Securityholders originally scheduled to be held on November 3, 2023 (the "**Meeting**"). At this time, the Corporation intends to hold the postponed meeting on or about Friday, November 17, 2023 however, information confirming the rescheduled date, venue and time for the special meeting of Athabasca Securityholders ("**Postponed Meeting**") will be communicated to Athabasca Securityholders as soon as available. Athabasca shareholders who have already submitted their proxies or voted online do not need to take any further action at this time. Athabasca deeply regrets any inconvenience the Postponement may cause and appreciates the understanding of Athabasca Securityholders.

Dana Archibald, Chief Executive Officer of the Corporation states:

"Since announcing the Meeting, the response from Athabasca Securityholders has been largely positive, underscoring the trust Athabasca Securityholders have placed in the Corporation. This support reaffirms our commitment to fostering a relationship of trust and transparency with each of our stakeholders. It is in light of this support, as well as the paramount importance of ensuring that Athabasca Securityholders have the most accurate and up-to-date information at their disposal, that we have made the decision to postpone the Meeting. This decision has not been taken lightly but is a testament of our commitment to serving the best interests of Athabasca Securityholders and upholding the highest standards of corporate governance. We understand the significance of your investment in the Corporation, and this decision has been made with the utmost consideration with your interests in mind. We are dedicated to ensuring that Athabasca Securityholders have

sufficient time to review the Amended Filings prior to the Postponed Meeting to ensure that our values of trust, fairness, and accountability are upheld."

Execution of a Settlement Agreement and Mutual Release

The Corporation has also executed a settlement agreement and mutual release (the "**Agreement**") with an independent, arm's length supplier (the "**Supplier**").

The Agreement, valued at \$375,000, is the result of extensive negotiations between Athabasca and the Supplier and is aimed at resolving outstanding financial obligations. As part of the Agreement, Athabasca will transfer ownership of five non-core and non-cash generating resource properties, namely Cowper, Emerson, Hargwen, Pelican, and Poplar Creek North, to the Supplier. In addition to the asset transfer, the Corporation will make a one-time payment of \$60,000 to the Supplier.

The value of these resource properties is non-material to the Corporation's total asset holdings. While they have potential value, they would require ongoing capital expenditures to support future growth, making their transfer an economically prudent decision.

Athabasca remains committed to protecting its cash position, and the Agreement limits cash outlay while helping the Corporation shed some of its environmental and reclamation liabilities. This Agreement represents a responsible and forward-thinking approach to managing our asset portfolio and financial obligations.

This transaction remains subject to receipt of all necessary regulatory and other approvals, including the final approval of the TSX Venture Exchange.

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.

For further information, please contact:

Cheryl Grue, Director, Corporate Affairs

Tel: 587-392-5862 / Email: cheryl.grue@athabascaminerals.com

Neither the TSX Venture Exchange nor its Regulation Services Provider (as that term is defined in the policies of the TSX Venture Exchange) accepts responsibility for the adequacy or accuracy of this release.

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 "aimed", "committed", "ensure", "intends", "ongoing", "potential", "will", "would" and similar expressions. In particular, but without limiting the foregoing, this news release contains forward-looking statements pertaining to the following: the Meeting; the timing and benefits of the Postponed Meeting; the Agreement and the benefits thereof; shareholder value; and the Corporation's operational position, potential, growth, success, commitments, beliefs, core values and strategy to its stakeholders and Athabasca Securityholders.

The forward-looking statements contained in this news release reflect several material factors and expectations and assumptions of Athabasca including, without limitation: that 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.

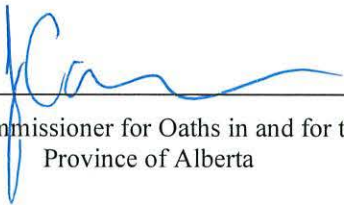
Athabasca believes the material factors, expectations, and assumptions reflected in the forward-looking statements are reasonable at this time, but no assurance can be given that these factors, expectations, and assumptions will prove to be correct. The forward-looking statements included in this news 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 regulatory approvals; 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. 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.



To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/185706>

This is Exhibit "F"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468



YEARS ENDED DECEMBER 31, **2022** and **2021**

**AMENDED AND RESTATED AUDITED
CONSOLIDATED FINANCIAL STATEMENTS**

Table of Contents

	Page
Management’s Responsibility for Financial Reporting Report	3
Independent Auditor’s Report	4 - 7
Amended and Restated Consolidated Statements of Financial Position	8
Amended and Restated Consolidated Statements of Loss and Comprehensive Loss	9
Amended and Restated Consolidated Statements of Changes in Shareholders’ Equity	10
Amended and Restated Consolidated Statements of Cash Flows	11
Notes to the Consolidated Annual Financial Statements	12 - 56

Management’s Responsibility for Financial Reporting Report

The accompanying amended and restated consolidated financial statements of Athabasca Minerals Inc. are the responsibility of management and have been approved by the Board of Directors on recommendation by the Audit Committee.

The amended and restated consolidated financial statements have been prepared by management in accordance with International Financial Reporting Standards. Where alternative accounting methods exist, management has chosen those which it deems most appropriate under the circumstances. Financial statements are not precise since they include amounts based on estimates and judgments. Management has determined such amounts to the best of its ability in a manner it deemed reasonable in order to ensure that the amended and restated consolidated financial statements are presented fairly, in all material respects. Management has prepared financial information presented elsewhere in the accompanying management discussion and analysis and has ensured that it is consistent with that in the consolidated financial statements. In support of its responsibility, management maintains a system of internal controls to provide reasonable assurance as to the reliability of financial information and the safeguarding of assets.

The Board of Directors is responsible for ensuring that management fulfills its responsibilities for financial reporting and is ultimately responsible for reviewing and approving the amended and restated consolidated financial statements. The Board of Directors carries out this responsibility through its Audit Committee.

The Audit Committee is comprised of financially literate directors, appointed by the Board of Directors. The Audit Committee meets periodically with management and the external auditors to discuss internal controls over financial reporting processes, auditing matters and financial reporting issues to satisfy itself, that each party is properly discharging its responsibilities, and to review the amended and restated consolidated financial statements and the external auditor’s report. The Audit Committee reports its findings to the Board of Directors for consideration when approving the consolidated financial statements for issuance to the shareholders. The Audit Committee also considers, for review by the Board of Directors and approval by the shareholders, the engagement or re-appointment of the external auditors.

These amended and restated consolidated financial statements have been audited by Grant Thornton LLP, the external auditors, in accordance with Canadian generally accepted auditing standards on behalf of the shareholders. Grant Thornton LLP has full and free access to the Audit Committee.

(signed) “Dana Archibald”

Dana Archibald
Chief Executive Officer

(signed) “David Churchill”

David Churchill
Chief Financial Officer

November 3, 2023
Edmonton, Alberta

Independent Auditor's Report

Grant Thornton LLP
Suite 1600
333 Seymour Street
Vancouver, BC
V6B 0A4
T +1 604 687 2711
F +1 604 685 6569

To the Shareholders of Athabasca Minerals Inc.

Opinion

We have audited the consolidated financial statements of Athabasca Minerals Inc. (the "Corporation"), which comprise the consolidated statements of financial position as at December 31, 2022 and December 31, 2021 and the consolidated statements of income (loss) and comprehensive income (loss), consolidated statements of changes in shareholders' equity and consolidated statements of cash flows for the years then ended, and notes to the consolidated financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying consolidated financial statements present fairly, in all material respects, the consolidated financial position of the Corporation as at December 31, 2022 and December 31, 2021, and its consolidated financial performance and its consolidated cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report. We are independent of the Corporation in accordance with the ethical requirements that are relevant to our audit of the statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Emphasis of matter – Subsequent event

We draw attention to Note 27 to the consolidated financial statements which describes that the Corporation has entered into a definitive arrangement agreement pursuant to which all the issued and outstanding shares of the Corporation would be purchased. Our opinion is not modified in respect of this matter.

Emphasis of matter – Amended and restated consolidated financial statements

We draw attention to Note 1 to the consolidated financial statements which describes that the consolidated financial statements for the year ended December 31, 2022 on which we originally reported on May 18, 2023 have been amended and describes the matter that gave rise to the amendment of the consolidated financial statements. Note 1 also explains that certain comparative information presented for the year ended December 31, 2021 has been restated. Our opinion is not modified in respect of these matters.

Material uncertainty related to going concern

We draw attention to Note 1 of the consolidated financial statements which indicates the Corporation realized net income of \$11,889,261, including a \$24,057,403 gain on acquisition through its joint venture investment during the year ended December 31, 2022 and incurred net cash used in operating activities of \$2,209,817. These conditions, along with other matters as set forth in Note 1, indicate that a material uncertainty exists that may cast significant doubt about the Corporation's ability to continue as a going concern. Our opinion is not modified in respect of this matter.

Key audit matters

Key audit matters are those matters that, in our professional judgement, were of most significance in our audit of the consolidated financial statements of the current period. These matters were addressed in the context of our audit of the consolidated financial statements as a whole, and in forming our opinion thereon, and we do not provide a separate opinion on these matters.

In addition to the matter described in the *Material uncertainty related to going concern* section, we have determined the matter described below to be the key audit matters to be communicated in our auditor's report.

Acquisition of Wisconsin assets within joint venture

Refer to Note 5 of the consolidated financial statements.

On February 1, 2022, the Corporation, through its 50%/50% joint venture took control of assets purchased from a privately owned company based in Wisconsin, United States. The Corporation acquired assets and liabilities in exchange for consideration of \$1,000,000 USD. The acquisition has been accounted for as a business combination within the joint venture.

The acquisition of the Wisconsin assets was determined to be a key audit matter given the significance of the transaction to the consolidated financial statements, the complexity of the accounting for the transaction, and the high estimation uncertainty related to the estimation of the fair value of the net assets acquired which resulted in a bargain purchase gain of \$23,380,794 being recognized within investment income from the joint venture in the consolidated statement of income and comprehensive income.

Our audit procedures included but were not limited to:

- A review of the asset exchange agreement to identify and assess relevant terms and conditions;
- An assessment of the qualifications and objectivity of the third-party valuation expert utilized by the Corporation to estimate the fair value of the net assets acquired in the business combination;
- Engagement of our internal valuation and capital asset solution teams to assess the reasonableness of key inputs and assumptions used by management in estimating the fair value of the identifiable assets acquired and liabilities assumed including:
 - applicable discount rates applied to management's forecasted cash flows;
 - management's forecasted revenues and costs; and
 - appraisal values of hard assets acquired using the replacement cost new less depreciation and market approaches;
- An assessment of the transaction for appropriate accounting under provisions of IFRS including management's assessment of the transaction as a business combination;
- An assessment of management's estimate of expected future costs related to the environmental obligation liability assumed as part of the acquisition including:
 - review of support for underlying costs compared to expected costs; and
 - review of key rates including discount rate and inflation rate.

Information other than the statements and auditor's report thereon

Management is responsible for the other information. The other information comprises the Management Discussion and Analysis but does not include the consolidated financial statements and our auditor's report thereon.

Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the consolidated financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of management and those charged with governance for the consolidated financial statements

Management is responsible for the preparation and fair presentation of the consolidated financial statements in accordance with International Financial Reporting Standards (IFRSs), and for such internal control as management determines is necessary to enable the preparation of consolidated financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the consolidated financial statements, management is responsible for assessing the Corporation's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Corporation or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Corporation's financial reporting process.

Auditor's responsibilities for the audit of the consolidated financial statements

Our objectives are to obtain reasonable assurance about whether the consolidated financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these consolidated financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the consolidated financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Corporation's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Corporation's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the consolidated financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Corporation to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the consolidated financial statements, including the disclosures, and whether the consolidated financial statements represent the underlying transactions and events in a manner that achieves fair presentation.
- Obtain sufficient appropriate audit evidence regarding the financial information of the entities or business activities within the Group to express an opinion on the consolidated financial statements. We are responsible for the direction, supervision and performance of the group audit. We remain solely responsible for our audit opinion.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.



We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

From the matters communicated with those charged with governance, we determine those matters that were of most significance in the audit of the consolidated financial statements of the current period and are therefore the key audit matters. We describe these matters in our auditor's report unless law or regulation precludes public disclosure about the matter or when,

in extremely rare circumstances, we determine that a matter should not be communicated in our report because of the adverse consequences of doing so would reasonably be expected to outweigh the public interest benefits of such communication.

The engagement partner on the audit resulting in this independent auditor's report is Robert Riecken.

Grant Thornton LLP

Chartered Professional Accountants

Vancouver, Canada
November 3, 2023

Amended and Restated Consolidated Statements of Financial Position

	Notes	As at	
		December 31, 2022	December 31, 2021
ASSETS			
Current			
Cash		587,623	\$ 2,348,562
Trade and other receivables	6,23	1,389,738	698,440
Income taxes recoverable - Canada	19	-	74,337
Inventory	7	174,703	846,599
Prepaid expenses and deposits		93,686	52,991
Joint venture loan receivable	4	677,200	-
Current Assets		2,922,950	4,020,929
Long-term deposits	8	788,876	769,078
Restricted cash	9	120,148	120,000
Contract costs	10	1,402,130	2,420,470
Property, plant and equipment	11	460,134	593,911
Right-of-use assets	14	321,126	87,440
Investment in Joint Venture	4	23,462,149	255,482
Intangible assets	13	23,468	36,201
Resource properties	12	7,549,667	12,126,762
Total Assets		\$ 37,050,648	\$ 20,430,273
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	23	2,598,359	1,239,496
Income taxes payable - Canada	19	93,365	-
Income taxes payable - USA	19	496,685	64,408
Current portion of bank and other loans	15	493,736	755,051
Current portion of lease obligations	17	8,328	73,618
Current portion of environmental rehabilitation obligations	18	-	133,295
Current Liabilities		3,690,473	2,265,868
Bank and other loans	15	-	300,000
Lease obligations	17	295,125	4,899
Deposit liabilities		49,376	26,770
Shareholders' loans	16	1,900,000	-
Deferred tax liability	19	-	-
Environmental rehabilitation obligations	18	2,501,114	2,662,417
Total Liabilities		8,436,088	5,259,954
Shareholders' Equity			
Share capital	20	23,509,890	22,971,793
Contributed surplus		5,493,352	5,324,170
Retained earnings (deficit)		(1,238,866)	(13,128,128)
Accumulated other comprehensive income		850,184	2,484
Total Shareholders' Equity		28,614,560	15,170,319
Total Liabilities and Shareholders' Equity		\$ 37,050,648	\$ 20,430,273

Note (1) Nature of Business and Going Concern and Restatement of Financial Results and Note (27) Subsequent Events

The accompanying notes are an integral part of these consolidated financial statements

Approved by the Board of Directors

" Don Paulencu "

Director

"Dale Nolan"

Director

Amended and Restated Consolidated Statements of Income (Loss) and Comprehensive Income (Loss)

	Notes	December 31, 2022	December 31, 2021
Product sales revenue	26	\$ 3,787,866	\$ 3,035,742
Services revenue	26	9,008,409	4,456,672
Gross revenue, including royalties		12,796,275	7,492,414
Less: provincial royalties		(354,359)	(337,638)
Revenue, net of royalties		12,441,916	7,154,776
Operating costs		(11,310,257)	(5,897,373)
Depreciation, depletion, and amortization expense		(210,413)	(389,064)
Cost of sales		(11,520,670)	(6,286,437)
Gross profit (loss)		921,246	868,339
General and administrative expenses		(4,038,496)	(2,921,446)
Severance expense	22	(685,269)	-
Share-based compensation	20	(221,749)	(247,952)
Write-down of inventory, contract costs and resource properties	7,10,12	(6,221,314)	-
Other operating expenses	25	(134,769)	(274,320)
Operating loss		(10,380,351)	(2,575,379)
Finance costs	25	(191,520)	(44,313)
Other non-operating income	25	637,787	206,438
Interest income		3,151	13,295
Share of profit from joint venture	4	22,358,967	240,238
Income (loss) before income taxes		12,428,034	(2,159,721)
Current tax expense		(538,773)	(10,809)
Deferred tax recovery		-	-
Net income (loss)		11,889,261	(2,170,530)
Other comprehensive income (loss)			
Foreign exchange differences from translating foreign operations	4	847,700	2,484
Total comprehensive income (loss)		\$ 12,736,961	\$ (2,168,046)
Net income (loss) per common share - basic	19	\$ 0.152	\$ (0.032)
Net income (loss) per common share - diluted	19	\$ 0.148	\$ (0.032)
Weighted average number of shares outstanding	19	77,989,187	67,947,084

The accompanying notes are an integral part of these consolidated financial statements

Amended and Restated Consolidated Statements of Changes in Shareholders' Equity

	Notes	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income	Retained Earnings (Deficit)	Total Shareholders' Equity
Balance as at January 1, 2021		59,110,153	\$ 18,955,877	\$ 5,186,552	\$ -	\$ (10,957,598)	\$ 13,184,831
Shares issued	19	17,596,935	\$ 3,944,313	\$ -	\$ -	\$ -	\$ 3,944,313
Share-based compensation	19	-	-	169,085	-	-	169,085
Stock options exercised	19	257,000	82,748	(31,467)	-	-	51,281
Share issuance costs, net of tax of \$nil	19	-	(11,145)	-	-	-	(11,145)
Total loss and comprehensive loss for the period		-	-	-	2,484	(2,170,530)	(2,168,046)
Balance as at December 31, 2021		76,964,088	\$ 22,971,793	\$ 5,324,170	\$ 2,484	\$ (13,128,128)	\$ 15,170,319
Shares issued	19	258,898	107,990	-	-	-	\$ 107,990
Share-based compensation - options		-	-	336,745	-	-	336,745
Stock options exercised		1,359,700	430,107	(167,563)	-	-	262,544
Total income (loss) and comprehensive income (loss) for the period		-	-	-	847,700	11,889,261	12,736,961
Balance as at December 31, 2022		78,582,686	\$ 23,509,890	\$ 5,493,352	\$ 850,184	\$ (1,238,866)	\$ 28,614,560

The accompanying notes are an integral part of these consolidated financial statements

Amended and Restated Consolidated Statements of Cash Flows

	Notes	2022	Year ended 2021
OPERATING ACTIVITIES			
Net income (loss)		11,889,261	\$ (2,170,530)
Adjustments for non-cash items			
Depreciation, depletion, and amortization expense		171,408	389,064
Amortization of resource property lease costs		-	11,118
Amortization of environmental rehabilitation obligations asset	12,25	39,478	120,645
Amortization of contract costs	10,25	-	13,830
Change in estimate for environmental rehabilitation obligations	18	-	(599)
Change in discount rate for environmental rehabilitation obligations	18	(338,919)	54,815
Accretion of environmental rehabilitation obligations	18	80,249	74,511
Writedown of inventory, contract and resource properties	7,10,12	6,221,314	-
Share of profit from joint venture	4	(22,358,967)	(240,238)
Gain on disposal of property and equipment		-	(50,000)
In-kind contribution to joint venture		-	(12,759)
Share-based compensation	20	221,749	247,952
Interest on shareholder loans	16	153,700	-
Shares issued in payment of royalties	20	-	200,001
Shares issued to contractors	20	75,000	-
Changes in non-cash working capital balances			
Trade and other receivables		(691,298)	174,014
Amounts due from related entities		-	88,876
Prepaid expenses and deposits		(40,695)	4,623
Inventory	7	334,798	-
Accounts payable and accrued liabilities		1,433,126	(229,573)
Income taxes payable (recoverable)		599,979	(55,013)
Net cash used in operating activities		(2,209,817)	(1,379,263)
INVESTING ACTIVITIES			
Spending on long-term deposits	8	(19,798)	-
Deposit liability		22,606	-
Restricted cash	9	(148)	956,595
Proceeds on sale of property and equipment		-	50,000
Purchase of property and equipment	11	-	(31,627)
Spending on resource properties	12	(286,964)	(574,599)
Cash acquired in acquisition of associates		-	120,155
Cash consideration paid for interest in associates		-	(1)
Net cash used in investing activities		(284,304)	520,523
FINANCING ACTIVITIES			
Proceeds from issuance of common shares, private placement	20	32,990	1,744,312
Common share issuance costs		-	(11,145)
Proceeds from bank loans	15	-	160,000
Repayment of bank loans	15	(591,933)	(531,873)
Interest on bank indebtedness		30,617	-
Proceeds from shareholders' loans	16	1,900,000	-
Interest payment on shareholders' loan	16	(153,700)	-
Issuance of joint venture loan receivable	4	(1,489,840)	-
Repayment of joint venture loan receivable	4	812,640	-
Interest on lease liability	17	5,130	-
Repayment of lease obligations	17	(75,265)	(159,644)
Net proceeds from exercise of stock options	20	262,544	51,281
Net cash from (used in) financing activities		733,183	1,252,931
Impact of foreign currency translation			
Net change in cash		(1,760,938)	394,191
Cash, beginning of period		2,348,562	1,954,371
Cash, end of period		587,623	2,348,562

The accompanying notes are an integral part of these consolidated financial statements

Note 1 - Nature of Business and Going Concern and Restatement of Financial Results

a) General

Athabasca Minerals Inc. (the “Corporation”) is a public corporation incorporated under the Business Corporations Act (Alberta) in 2006, and its shares are listed on the TSX Venture Exchange under the symbol AMI-V. The Corporation’s head office is located at 4409 94 Street NW, Edmonton, Alberta, Canada T6E 6T7.

The Corporation is an integrated group of companies capable of full life-cycle development and supply of aggregates and industrial sand. The Corporation is comprised of the following business units:

- **AMI Silica** division has resource holdings and business interests in Alberta, North-East BC, and the United States with its 50% joint venture interest in AMI Silica LLC.
- **AMI Aggregates** division produces and sells aggregates from its corporate pits and manages the Coffey Lake Public Pit on behalf of the Government of Alberta.
- **AMI RockChain** division 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.
- **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 Corporation ceased its limited partner position in the partnership but continues to provide services to the partnership under an operating agreement.
- **TerraShift Engineering** conducts resource exploration, regulatory, mining, environmental and reclamation engineering for a growing nation-wide customer base and is also the developer of the proprietary TerraMaps™ software. As of August 24, 2022, the Corporation began to phase out the operations of TerraShift as part of the Corporation'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.

The amended and restated consolidated financial statements for the year ended December 31, 2022, including comparatives for the year ended December 31, 2021 were approved and authorized for issue by the Board of Directors on November 3, 2023.

b) Going Concern

The basis of presentation below notes the Corporation’s consolidated financial statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future. The Corporation’s ability to continue as a going concern is dependent upon, but not limited to, its ability to raise the financing necessary to discharge its liabilities as they become due and generate positive cash flows from operations. During the year ended December 31, 2022, the Corporation had net income of \$11,889,261 including a \$24,057,403 gain on acquisition included in share of profit from joint venture (2021 – total loss \$2,170,530) and net cash used in operations of \$2,209,817 (2021 - \$1,379,263). These aforementioned conditions have resulted in material uncertainties that may cast significant doubt about the Corporation’s ability to continue as a going concern. The ability of the Corporation 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. However, there can be no assurance that the steps management is taking will be successful. The accompanying consolidated financial statements do not reflect any adjustments in the carrying values of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used, that would be necessary if the Corporation were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. These adjustments could have a material impact on the consolidated financial statements.

c) Restatement of Financial Results

The Corporation has determined that the investment in the AMI Silica LLC joint arrangement, entered into in 2021, was incorrectly accounted for as a joint operation rather than a joint venture in the 2021 and 2022 consolidated financial statements. A joint operator shall account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses whereas a joint venturer shall recognise its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures.

Note 1 - Nature of Business and Going Concern and Restatement of Financial Results - continued

In addition, the Corporation determined that the impairment charge taken against resources properties (note 12) was understated by \$600,534 and as such the impairment charge has been increased to reflect management's best estimate of the fair value of those assets.

As a result of the correction, the following consolidated financial statement line items for the 2022 and 2021 fiscal years have been adjusted as follows:

	December 31, 2022		Adjustment 1	Adjustment 2	December 31, 2022		As at		December 31, 2021			
					December 31, 2021	Adjustment	December 31, 2021					
ASSETS												
Current												
Cash	\$	800,265	\$	(212,642)		587,623	\$	2,517,433	\$	(168,871)	\$	2,348,562
Trade and other receivables		5,102,611		(3,712,873)		1,389,738		1,291,644		(593,204)		698,440
Income taxes recoverable - Canada		-		-		-		74,337		-		74,337
Inventory		3,988,746		(3,814,043)		174,703		846,599		-		846,599
Prepaid expenses and deposits		664,279		(570,593)		93,686		52,991		-		52,991
Joint venture loan receivable		-		677,200		677,200		-		-		-
Current Assets		10,555,901		(7,832,951)		2,922,950		4,783,004		(762,075)		4,020,929
Long-term deposits		788,876		-		788,876		769,078		-		769,078
Restricted cash		120,148		-		120,148		120,000		-		120,000
Contract costs		1,402,130		-		1,402,130		2,420,470		-		2,420,470
Property, plant and equipment		38,406,067		(37,945,933)		460,134		593,911		-		593,911
Right-of-use assets		10,032,288		(9,711,162)		321,126		87,440		-		87,440
Investment in Joint Venture		-		23,462,149		23,462,149		-		255,482		255,482
Intangible assets		23,468		-		23,468		36,201		-		36,201
Resource properties		8,050,201		(500,534)		7,549,667		12,126,762		-		12,126,762
Total Assets		\$ 69,379,079		\$ (31,827,897)		\$ 37,050,648		\$ 20,936,866		\$ (506,593)		\$ 20,430,273
LIABILITIES AND SHAREHOLDERS' EQUITY												
Current												
Accounts payable and accrued liabilities		9,687,653		(7,189,294)	100,000	2,598,359		1,765,131		(525,635)		1,239,496
Income taxes payable - Canada		93,365		-		93,365		-		-		-
Income taxes payable - USA		496,685		-		496,685		64,408		-		64,408
Current portion of bank and other loans		872,834		(379,098)		493,736		755,051		-		755,051
Current portion of lease obligations		1,551,983		(1,543,655)		8,328		73,618		-		73,618
Current portion of environmental rehabilitation obligations		609,480		(609,480)		-		133,295		-		133,295
Current Liabilities		13,312,001		(9,721,528)	100,000	3,690,473		2,791,503		(525,635)		2,265,868
Bank and other loans		1,613,578		(1,613,578)		-		300,000		-		300,000
Lease obligations		8,731,768		(8,436,643)		295,125		4,899		-		4,899
Deposit liabilities		49,376		-		49,376		26,770		-		26,770
Shareholders' loans		2,238,600		(338,600)		1,900,000		-		-		-
Deferred tax liability		8,278,943		(8,278,943)		-		-		-		-
Environmental rehabilitation obligations		5,724,492		(3,273,378)		2,501,114		2,662,417		-		2,662,417
Total Liabilities		39,998,760		(31,662,672)	100,000	8,436,088		5,785,589		(525,635)		5,259,954
Shareholders' Equity												
Share capital		23,509,890		-		23,509,890		22,971,793		-		22,971,793
Contributed surplus		5,493,352		-		5,493,352		5,324,170		-		5,324,170
Retained earnings (deficit)		(977,340)		339,008	(600,534)	(1,238,866)		(13,144,686)		16,558		(13,128,128)
Accumulated other comprehensive income		1,354,417		(504,233)		850,184		-		2,484		2,484
Total Shareholders' Equity		29,380,319		(165,225)	(600,534)	28,614,560		15,151,277		19,042		15,170,319
Total Liabilities and Shareholders' Equity		\$ 69,379,079		\$ (31,827,897)	\$ (500,534)	\$ 37,050,648		\$ 20,936,866		\$ (506,593)		\$ 20,430,273

Note 1 - Nature of Business and Going Concern and Restatement of Financial Results - continued

	Twelve months ended December 31, 2022			Twelve months ended December 31, 2021			
	2022	Adjustment 1	Adjustment 2	December 31, 2022	2021	Adjustment	December 31, 2021
Product sales revenue	\$ 25,571,323	\$ (21,783,457)		\$ 3,787,866	\$ 3,035,742	\$ -	\$ 3,035,742
Services revenue	9,008,409			9,008,409	9,093,507	(4,636,835)	4,456,672
Gross revenue, including royalties	34,579,732	(21,783,457)		12,796,275	12,129,249	(4,636,835)	7,492,414
Less: provincial royalties	(354,359)	-		(354,359)	(337,638)	-	(337,638)
Revenue, net of royalties	34,225,373	(21,783,457)		12,441,916	11,791,611	(4,636,835)	7,154,776
Operating costs	(30,772,222)	19,461,965		(11,310,257)	(10,297,769)	4,400,396	(5,897,373)
Depreciation, depletion, and amortization expense	(3,428,108)	3,217,695		(210,413)	(389,064)	-	(389,064)
Cost of sales	(34,200,330)	22,679,660		(11,520,670)	(10,686,833)	4,400,396	(6,286,437)
Gross profit (loss)	25,043	896,203		921,246	1,104,778	(236,439)	868,339
General and administrative expenses	(5,353,404)	1,279,606	35,302	(4,038,496)	(2,934,205)	12,759	(2,921,446)
Severance expense	(685,269)	-		(685,269)	-		-
Share-based compensation	(221,749)	-		(221,749)	(247,952)	-	(247,952)
Write-down of inventory, contract costs and resource properties	(5,620,780)	-	(600,534)	(6,221,314)	-	-	-
Other operating expenses	(82,898)	(51,871)		(134,769)	(274,320)		(274,320)
Operating loss	(11,939,057)	2,123,938	(565,232)	(10,380,351)	(2,351,699)	(223,680)	(2,575,379)
Finance costs	(770,583)	579,063		(191,520)	(44,313)	-	(44,313)
Gain on acquisition of Wisconsin assets	24,057,403	(24,057,403)		-	-	-	-
Other non-operating income	350,640	-	287,147	637,787	206,438	-	206,438
Interest income	3,151	-		3,151	13,295	-	13,295
Share of profit from joint venture	-	22,358,967		22,358,967	-	240,238	240,238
Income (loss) before income taxes	11,701,554	1,004,565	(278,085)	12,428,034	(2,176,279)	16,558	(2,159,221)
Current tax expense	(538,773)	-		(538,773)	(10,809)	-	(10,809)
Deferred tax recovery	1,004,565	(1,004,565)		-	-	-	-
Net income (loss)	12,167,346	-	(278,085)	11,889,261	(2,187,088)	16,558	(2,170,530)
Other comprehensive income (loss)							
Foreign exchange differences from translating foreign operations	1,354,417	(506,717)	-	847,700	-	2,484	2,484
Total comprehensive income (loss)	\$ 13,521,763	\$ (506,717)	\$ (278,085)	\$ 12,736,961	\$ (2,187,088)	\$ 19,042	\$ (2,168,046)

	As at December 31, 2021		
	As Restated	As previously reported	Adjustment
Shareholders Equity			
Share capital	\$ 22,971,793	\$ 22,971,793	\$ -
Contributed Surplus	5,324,170	5,324,170	\$ -
Accumulated Other Comprehensive Income	2,484	-	\$ 2,484
Retained Earnings (Deficit)	(13,128,128)	(13,144,686)	\$ 16,558
Total Shareholders Equity	15,170,319	15,151,277	\$ 19,042

	As at December 31, 2022		
	As Restated	As previously reported	Adjustment
Shareholders Equity			
Share capital	\$ 23,509,890	\$ 23,509,890	\$ -
Contributed Surplus	5,493,352	5,493,352	\$ -
Accumulated Other Comprehensive Income	850,184	1,354,417	\$ (504,233)
Retained Earnings (Deficit)	(1,238,866)	(977,340)	\$ (261,526)
Total Shareholders Equity	28,614,560	29,380,319	\$ (765,759)

Note 1 - Nature of Business and Going Concern and Restatement of Financial Results - continued

	2022	Adjustment	2022	2021	Adjustment	Year ended 2021
OPERATING ACTIVITIES						
Net income (loss)	\$ 12,167,346	(278,085)	11,889,261	(2,187,088)	16,558	\$ (2,170,530)
Adjustments for non-cash items						
Depreciation, depletion, and amortization expense	3,428,108	(3,256,700)	171,408	389,064	-	389,064
Amortization of resource property lease costs	-	-	-	11,118	-	11,118
Amortization of environmental rehabilitation obligations asset	39,478	-	39,478	120,645	-	120,645
Amortization of contract costs	-	-	-	13,830	-	13,830
Change in estimate for environmental rehabilitation obligations	284,264	(284,264)	-	(599)	-	(599)
Change in discount rate for environmental rehabilitation obligations	(677,148)	338,229	(338,919)	54,815	-	54,815
Accretion of environmental rehabilitation obligations	227,707	(147,458)	80,249	74,511	-	74,511
Writedown of inventory, contract and resource properties	5,620,780	600,534	6,221,314	-	-	-
Share of profit from joint venture	-	(22,358,967)	(22,358,967)	-	(240,238)	(240,238)
Gain on disposal of property and equipment	-	-	-	(50,000)	-	(50,000)
In-kind contribution to joint venture	-	-	-	-	(12,759)	(12,759)
Share-based compensation	221,749	-	221,749	247,952	-	247,952
Interest on shareholder loans	157,300	(3,600)	153,700	-	-	-
Shares issued in payment of royalties	-	-	-	200,001	-	200,001
Shares issued to contractors	75,000	-	75,000	-	-	-
Changes in non-cash working capital balances						
Trade and other receivables	(4,248,629)	3,557,331	(691,298)	(419,190)	593,204	174,014
Amounts due from related entities	-	-	-	88,876	-	88,876
Prepaid expenses and deposits	(611,288)	570,593	(40,695)	4,623	-	4,623
Inventory	(3,479,246)	3,814,044	334,798	-	-	-
Accounts payable and accrued liabilities	8,010,653	(6,577,527)	1,433,126	296,063	(525,636)	(229,573)
Income taxes payable (recoverable)	525,642	74,337	599,979	(55,013)	-	(55,013)
Net cash used in operating activities	(2,265,653)	55,836	(2,209,817)	(1,210,392)	(168,871)	(1,379,263)
INVESTING ACTIVITIES						
Spending on long-term deposits	(19,798)	-	(19,798)	-	-	-
Deposit liability	22,606	-	22,606	-	-	-
Restricted cash	148	(296)	(148)	956,595	-	956,595
Proceeds on sale of property and equipment	-	-	-	50,000	-	50,000
Purchase of property and equipment	(14,097)	14,097	-	(31,627)	-	(31,627)
Spending on resource properties	(286,964)	-	(286,964)	(574,599)	-	(574,599)
Cash acquired in acquisition of associates	-	-	-	120,155	-	120,155
Cash consideration paid for interest in associates	-	-	-	(1)	-	(1)
Net cash used in investing activities	(2,286,529)	2,002,225	(284,304)	520,523	-	520,523
FINANCING ACTIVITIES						
Proceeds from issuance of common shares, private placement	32,990	-	32,990	1,744,312	-	1,744,312
Common share issuance costs	-	-	-	(11,145)	-	(11,145)
Proceeds from bank loans	1,782,000	(1,782,000)	-	160,000	-	160,000
Repayment of bank loans	(780,602)	188,669	(591,933)	(531,873)	-	(531,873)
Interest on bank indebtedness	-	30,617	30,617	-	-	-
Proceeds from shareholders' loans	2,238,600	(338,600)	1,900,000	-	-	-
Interest payment on shareholders' loan	(153,700)	-	(153,700)	-	-	-
Issuance of joint venture loan receivable	-	(1,489,840)	(1,489,840)	-	-	-
Repayment of joint venture loan receivable	-	812,640	812,640	-	-	-
Interest on lease liability	-	5,130	5,130	-	-	-
Repayment of lease obligations	(546,522)	471,257	(75,265)	(159,644)	-	(159,644)
Net proceeds from exercise of stock options	262,544	-	262,544	51,281	-	51,281
Net cash from (used in) financing activities	2,835,310	(2,102,127)	733,183	1,252,931	-	1,252,931
Impact of foreign currency translation	-	-	-	-	-	-
Net change in cash	(1,716,872)	(44,066)	(1,760,938)	563,062	(168,871)	394,191
Cash, beginning of period	2,517,433	(168,871)	2,348,562	1,954,371	-	1,954,371
Cash, end of period	800,561	(212,937)	587,623	2,517,433	(168,871)	2,348,562

Note 2 - Basis of Presentation

a) Statement of Compliance

These consolidated financial statements of the Corporation have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board (“IASB”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”).

b) Basis of Presentation

These consolidated financial statements have been prepared on a historical cost basis, except as detailed in the Corporation’s accounting policy set out in Note 3.

These consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiaries, AMI Aggregates Inc., AMI RockChain Inc. (“AMI RockChain”), which was incorporated on March 19, 2018. Additionally, on June 30, 2020, AMI RockChain acquired 100% of the shares in TerraShift. On February 5, 2021, the Corporation acquired control of the numbered Alberta corporations that respectively own the Montney In-Basin Project and the Duvernay Project by securing 100% ownership of each company.

The assets, liabilities, equity, income, expenses, and cash flows of the Corporation and its wholly owned subsidiaries to the date of these consolidated financial statements have been combined and any intercompany investments and transactions have been eliminated upon consolidation. Uniform accounting policies are used by all entities. All transactions in the subsidiaries are reflected in these consolidated financial statements.

The consolidated financial statements also include its joint venture investment in its 50/50 joint arrangement AMIL Silica Inc. (“AMI Silica”). The Corporation and JMAC Energy Services LLC. jointly control AMI Silica LLC on a 50/50 basis. AMI Silica LLC was formed under the laws of North Dakota effective June 2, 2021.

c) Functional and Presentation Currency

These consolidated financial statements are presented in Canadian dollars which is the functional currency of the Canadian parent and its subsidiaries. The functional currency of AMI Silica LLC. is the US dollar which then is translated to the presentation currency.

The investment in joint venture is translated into the presentation currency at the closing rate. The investment income has been translated into the presentation currency at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognized in the currency translation reserve in equity.

d) Use of Estimates and Judgements

The preparation of consolidated financial statements in conformity with IFRS as issued by the IASB requires management to make estimates and judgments that affect the amount reported in the consolidated financial statements. Estimates and judgments are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances, and are subject to measurement uncertainty. The effect on the consolidated financial statements of changes in such estimates in future reporting periods could be significant.

Significant estimates and areas where judgment is applied that have significant effect on the amount recognized in the consolidated financial statements are described below.

Note 2 - Basis of Presentation - continued

Significant Management Judgements

Realization of Assets

The investment in and expenditures on resource properties comprise a significant portion of the Corporation's assets. Realization of the Corporation's investment in these assets is dependent upon the successful exploration, development and the attainment of successful production from the properties or from the proceeds of their disposal.

Exploration and Development Expenditures

Mineral exploration and development is highly speculative and involves inherent risks. While the rewards if a resource body is discovered can be substantial, few properties that are explored are ultimately developed into producing mines. There can be no assurance that current exploration programs will result in the discovery of economically viable quantities of minerals.

The application of the Corporation's accounting policy for exploration and development expenditures requires judgement to determine whether future economic benefits are likely from either future exploration or sale or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves. In addition to applying judgement to determine whether future economic benefits are likely to arise from the Corporation's exploration and development assets or whether activities have not reached a stage that permits a reasonable assessment of the existence of reserves, the Corporation has to apply a number of estimates and assumptions. The determination of a mineral resource is an estimation process that involves varying degrees of uncertainty depending on how the resources are classified (i.e., measured, indicated or inferred). The estimates impact when the Corporation defers exploration and development expenditures. The deferral policy requires management to make certain estimates and assumptions about future events and circumstances, particularly, whether an economically viable extraction operation can be established. Any such estimates and assumptions may change as new information becomes available. If after the expenditure is capitalized information becomes available suggesting that the recovery of expenditure is unlikely, the relevant capitalized amount is written off to the consolidated statements of loss and comprehensive loss in the period when the new information becomes available.

Impairment of Resource Properties

Resource properties are reviewed and evaluated for impairment at each reporting period or when events or changes in circumstances indicate that the carrying amount of the asset may not be recoverable.

Common indicators of impairment of a resource property include, but is not limited to:

- the right to explore in a specific area has expired, or will soon expire, and is not expected to be renewed;
- substantive expenditure on further exploration in a specific area is neither budgeted nor planned;
- exploration in an area has not led to the discovery of commercially viable quantities of mineral resources, or the results are not compelling enough to warrant further exploration, and the Corporation has decided to discontinue activities in the area; or sufficient data exists to indicate that, although exploration or development in an area is likely to proceed, the carrying amount of the resource property is unlikely to be recovered in full by successful development or by sale.

Commencement of Commercial Production

The Corporation assesses the stage of each resource property under development to determine when a property reaches the stage when it is substantially complete and ready for its intended use. The Corporation considers various relevant criteria to assess when the commercial production phase is considered to commence. Some of the criteria used will include, but is not limited to, the following:

- the completion of a reasonable period of testing of mine plant and equipment;
- the ability to produce saleable aggregates;
- the ability to achieve production targets;
- sufficiency of hauling access from the pit;
- ability to sustain ongoing production;
- capital expenditures incurred relative to the expected costs to complete.

Note 2 - Basis of Presentation - continued

Management uses judgement to determine if contracts contain a lease. To make the assessment, management evaluates if the contract identifies a specific asset, the Corporation has the right to obtain substantially all the economic benefits from use, and if the Corporation has the right to direct the use of the asset.

Management uses judgement in determining the effective term for contracts where an extension or termination clause exists. Management considers historical behaviour, forecasting, and future strategy when considering what a reasonable outcome is.

Degree of Control Over Investees

In determining the degree of control or influence that exists between the Corporation and an investee, the Corporation considers to what extent it is exposed to or has the right to variable returns and whether it has the ability to use its power to affect those returns. If the Corporation determines that it has the power to affect its returns, then the investee is consolidated into the Corporation's consolidated financial statements using the acquisition method.

If the Corporation determines that it does not have the power to affect its returns in the investee, then it considers all relevant factors in assessing whether it has significant influence over the investee. If the Corporation determines that it has the power to participate in the financial and operating decisions of the investee, but that it does not control the investee, then the interest in the investee is accounted for using the equity method.

Management Estimates

Collectability of Accounts Receivable

In determining the collectability of a trade or other receivable, the Corporation considers all available information in assessing the risk or probability of a credit loss occurring over the contractual period of the receivable, even if the probability is low.

The Corporation uses a provision matrix to calculate expected credit losses for trade receivables. The provision matrix is initially based on the Corporation's historical observed default rates. The Corporation will calibrate the matrix to adjust the historical credit loss experience with forward-looking information. The assessment of the correlation between historical observed default rates, forecast economic conditions and expected credit losses is a significant estimate. The Corporation's historical credit loss experience and forecast of economic conditions may also not be representative of customer's actual default in the future.

Inventory Valuation

The Corporation values inventory at the lower of cost and net realizable value ("NRV"). The NRV of inventories is the estimated selling price in the ordinary course of business less estimated costs of completion and costs to sell. Estimates of NRV are based on the most reliable evidence available at the time the estimates are made. These estimates take into consideration fluctuations of price or cost directly relating to events occurring after the end of the period to the extent that such events confirm conditions existing at the end of the period. The key assumptions require the use of management judgement regarding reliability of evidence available and are reviewed on a quarterly basis. Write-downs of inventory in stockpiles, in-process and finished inventories resulting from NRV impairments are reported as a component of other operating expenses.

Depreciation and Amortization and Determining Useful Lives

Canadian mineral properties in production and other tangible assets used directly in resource production activities are depreciated on a unit-of-production basis ("UOP") over the productive life of the mine based on proven and probable reserves.

Mine assets in the US are depreciated on a straight-line basis based over the expected lives of the assets. The units of production may not accurately reflect the usage due to the continuous reclamation and mining process.

The calculation of the UOP rate, and therefore the annual depreciation expense could be materially affected by changes of estimates of mineral reserves and of the underlying mineral properties. Changes in estimates can be the result of:

- actual future production differing from current forecasts of future production;
- expansion of mineral reserves through exploration activities;
- differences between estimated and actual costs of mining development; and
- differences in the mineral prices used in the estimation of mineral reserves.

Note 2 - Basis of Presentation - continued

Property and equipment is depreciated, net of residual value, over its useful economic life. Depreciation commences when assets are available for use. The assets' useful lives and methods of depreciation are reviewed and adjusted, if appropriate, at each fiscal year end.

Significant judgment is involved in the determination of useful life and residual values. No assurance can be given that actual useful lives and residual values will not differ significantly from current assumptions.

Mineral Reserves

Proven and probable mineral reserves are the economically mineable parts of the Corporation's measured and indicated mineral resources demonstrated by, at a minimum, a preliminary feasibility study. The Corporation estimates its proven and probable mineral reserves based on information compiled by appropriately qualified persons. Geological estimates of the size, depth and shape of the mineral body requires complex judgements.

The estimation of future cash flows related to proven and probable mineral reserves is based upon factors such as:

- estimates of commodity prices;
- future capital requirements;
- mineral recovery factors and production costs;
- unforeseen operational issues; and
- geological assumptions and judgements made in estimating the size and grade of the mineral body.

Changes in the proven and probable mineral reserves or mineral resource estimates may impact the carrying value of resource properties, property and equipment, environmental rehabilitation obligations, recognition of deferred taxes, amortization, depletion and accretion. The Corporation conducts an annual review of its reserves and mineral resources. Changes in estimates are accounted for prospectively.

Provision for Reclamation and Decommissioning Obligations

Accounting for reclamation and decommissioning obligations requires management to make estimates of the timing and amount of future costs the Corporation will incur to complete the reclamation and decommissioning work required to comply with existing laws, regulations and contractual agreements at each mining operation. Timing and actual costs incurred may differ from those estimated.

Future changes to environmental laws and regulations could increase the extent of reclamation and remediation work required to be performed by the Corporation. Increases in future costs and timing of those costs could materially impact the amounts estimated for reclamation, remediation and decommissioning. The Corporation assesses its provision for asset retirement obligations on an annual basis or when new material information becomes available.

If after a provision is recognized, information becomes available suggesting that recovery of the corresponding asset is unlikely, the asset is written off to the consolidated statements of loss and comprehensive loss in the period when the new information becomes available. When the Corporation is virtually certain that all or a portion of the costs will be reimbursed by another party, the Corporation uses judgement to determine whether it would be liable for the entire provision in the event that the other party failed to pay and then presents the reimbursement as a separate asset. However, if the Corporation determines that it would have no further liability for those costs if the other party failed to pay then the provision is net with the expected reimbursement.

Impairment of Non-Financial Assets

The Corporation assesses each asset or cash generating unit ("CGU") at each reporting period to determine whether any indication of impairment exists. Where an indicator of impairment exists, an estimate of the recoverable amount is made, which is considered to be the higher of the fair value less costs of disposal and value in use. These assessments require the use of estimates and assumptions such as long-term commodity prices (considering current and historical prices, price trends and related factors), discount rates, operating costs, future capital requirements, closure and rehabilitation costs, reserves and operating performance. These estimates and assumptions are subject to risk and uncertainty and therefore, there is a possibility that changes in circumstances will impact these projections, which may impact the recoverable amount of assets and/or CGUs.

Note 2 - Basis of Presentation - continued

Income Taxes

Income taxes are measured by applying estimated annual effective income tax rates that are expected to be in effect when the temporary differences that give rise to deferred tax assets and liabilities are expected to reverse or when losses are expected to be utilized. The estimated average annual effective income tax rates are re-estimated at each reporting date.

Provisions for taxes are made using the best estimate of the amount expected to be paid based on a qualitative assessment of all relevant factors. The Corporation reviews the adequacy of these provisions at the end of the reporting period. However, it is possible that at some future date an additional liability could result from audits by taxing authorities. Where the outcome of these tax-related matters is different from the amounts that were initially recorded, such differences will affect the tax provisions in the period in which such determination is made.

The Corporation evaluates the recoverability of deferred tax assets based on an assessment of the Corporation's ability to utilize the underlying future tax deductions against future taxable income before they expire. The Corporation's assessment is based upon existing tax laws, estimates of future taxable income, and the expected timing of taxable temporary difference reversals. To the extent that future cash flows and taxable profit differ significantly from estimates, the ability of the Corporation to realize the net deferred tax assets recorded at the reporting date could be impacted. Future changes in tax laws could limit the ability of the Corporation to obtain tax deductions in future periods.

Calculation of Share-based Compensation

The amount expensed for share-based compensation is determined using the Black-Scholes Option Pricing Model based on estimated fair values of all share-based awards at the date of grant and is expensed to profit or loss over each award's vesting period. The Black-Scholes Option Pricing Model utilizes subjective assumptions such as expected price volatility and expected life of the option. Changes in these input assumptions can significantly affect the fair value estimate.

Valuation of Warrants Issued in Private Placements

Warrants issued along with common shares in a private placement of units are valued using the relative fair value method. This method involves separately valuing the common shares at the fair value on the date of the transaction and the warrants using the Black-Scholes Option Pricing Model. The proceeds from the private placement are allocated based on the common shares and warrants proportionate valuations and credited to share capital or contributed surplus respectively. The Black-Scholes Option Pricing Model utilizes subjective assumptions such as expected price volatility and expected life of the warrant. Changes in these input assumptions can significantly affect the fair value estimate.

Business Combinations

In assessing whether the purchase of a business constitutes a business combination or an acquisition of assets, the Corporation takes into consideration whether the business consists of inputs, processes applied to those inputs that have the ability to contribute to the creation of outputs. To be considered a business, an integrated set of activities must include, at a minimum, an input and a substantive process. Significant judgement goes into the determination as to whether processes are considered substantive. Business combinations are accounted for using the fair value of consideration and the fair value of assets and liabilities acquired, including separately identified intangible assets and goodwill, as at the date of acquisition. Share-based consideration is valued using the trading price at the closing date of the acquisition, and contingent consideration is valued based on estimated probabilities of a range of outcomes identified. Changes in these input assumptions can significantly affect the fair value estimate.

Note 3 - Significant Accounting Policies

a) Cash

Cash in the statement of financial position comprises cash on deposit with financial institutions and on hand but excludes any restricted cash.

b) Inventory

Inventory is valued at the lower of cost and net realizable value. Net realizable value is calculated as the estimated selling price in the ordinary course of business less estimated costs required to sell the inventory. Cost is determined by the weighted average method, including direct purchase costs, the associated costs of crushing and hauling and an appropriate portion of direct overhead costs including applicable amortization and depletion of estimated resource properties. Any write down of inventory is recognized as a charge against income in the period the write down occurs.

The cost of finished sand inventory includes all expenses directly attributable to the production process, as well as production overheads, storage at the mine site, and transportation and storage costs to the inventory location. Cost of sand in various stages of production includes all expenses directly attributable to the production process to that stage.

Inventory does not include any parts and supplies on hand. Parts and supplies are insignificant and are expensed in the period they are acquired.

c) Restricted Cash

Restricted cash is cash on deposit with financial institutions which is not available for use by the Corporation and shall not be released until certain conditions are met under contractual obligations.

d) Property and Equipment

Property and equipment are recorded at cost less accumulated depreciation and any accumulated impairment losses. The initial cost of an asset comprises its purchase price and any costs directly attributable to bringing the asset into operation. The purchase price is the aggregate amount paid and the fair value of any other consideration given to acquire the asset. Amortization begins when the asset is available for use. Maintenance costs are expensed as incurred. Major improvements and replacements, which extend the useful life of an asset, are capitalized only if it is probable that future economic benefits associated with the expenditure will flow to the Corporation.

The Corporation provides for depreciation on its property and equipment using the following methods and rates:

	<u>Method</u>	<u>Rate</u>
On-site buildings	Straight line	10 years
Scale and scale houses	Straight line	10 years
Stockpile pad	Straight line	5 years
Computer software	Straight line	1-3 years
Office equipment	Straight line	3 years
Computer hardware	Straight line	3 years
Large equipment	Declining balance	20%
Vehicles	Declining balance	30%
Other equipment	Straight line	3 years

The residual values, useful lives and method of depreciation of property and equipment are reviewed each financial year and adjustments are accounted for prospectively, if appropriate. An item of property and equipment is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of an asset is included in profit or loss in the period the asset is derecognized.

Depreciation expense from property and equipment used in inventory production is included in the cost of inventory; depreciation from equipment used for exploration is capitalized under the associated exploration and development mineral properties; and depreciation from administrative capital assets is charged against operations in the period.

Note 3 - Significant Accounting Policies - continued

e) Intangible Assets

Software and customer relationships acquired in a business combination that qualify for separate recognition are recognized as intangible assets at their fair values. All finite-lived intangible assets are amortized over their estimated useful lives of one year for customer relationships and five years for software.

The residual values, useful lives and method of depreciation of intangible assets are reviewed each financial year and adjustments are accounted for prospectively, if appropriate. An intangible asset is derecognized on disposal or when no future economic benefits are expected from its use. Any gain or loss arising on derecognition of an asset is included in profit or loss in the period the asset is derecognized.

Depreciation expense from intangible assets is charged against operations in the period.

f) Exploration Expenditures

Mineral exploration expenditures relate to the initial costs incurred for investigation of potential mineral reserves and resources, including exploratory drilling, sampling, mapping and other activities in searching for mineral bodies and to evaluate the technical and commercial viability of developing mineral properties identified through exploration. Exploration expenditures are recorded on a property-by-property basis and deferred as exploration costs until the technical and commercial viability for that property is established and the property is placed into development, sold or abandoned or determined to be impaired.

The establishment of technical and commercial viability is assessed based on technical studies carried out in compliance with industry standards and regulatory requirements and is deemed to be achieved when the Corporation determines that the project will provide a satisfactory return relative to its perceived risks. Once the technical and commercial viability for a resource property is established and the development decision has been made, the property is considered to be under development. Previously capitalized exploration costs related to the property are at that time tested for impairment and if no indicators of impairment are present, the costs are then transferred to pit development costs. Exploration expenditures incurred before the Corporation has obtained the legal right to explore an area are expensed as incurred.

Title to mineral properties involves inherent risks due to the difficulties of determining the validity of certain claims as well as the potential for problems arising from the frequently unreliable conveyance history, which is typical for many mineral properties. The Corporation has investigated title to all its mineral properties, and, to the best of its knowledge, all its properties are in good standing.

g) Pit Development Expenditures

A resource property is under the development stage once the property is determined to be commercially, and technically viable and development decision has been made. The costs incurred to design and engineer an open pit, to build access roads, camps and other infrastructure for mining, and to remove overburden and other mine waste materials in order to access the mineral body at open pit operations (“stripping costs”) prior to the commencement of commercial production are categorized as pit development expenditures. Development expenditures to this point, including depreciation of related plant and equipment, are capitalized to the related property. Pit development expenditures are depreciated on a UOP basis over the productive life of the resource property based on proven and probable reserves.

Stripping and clearing costs incurred during the development of a pit or mine are capitalized in resource properties. Stripping costs incurred during the production phase of a mine are considered production costs and are included in the cost of inventory produced during the period in which stripping costs are incurred. Stripping costs incurred to prepare the resource body for extraction or to provide access to a resource body that will be extracted in future periods and would not otherwise have been accessible are capitalized as pit development expenditures and depreciated on a UOP basis over the reserves and resource that directly benefit from the stripping activity. New infrastructure costs incurred during the production phase for future probable economic benefit are also capitalized to the related mineral property subject to depreciation on a UOP basis.

h) Impairment of Non-Financial Assets

The carrying amounts of non-financial assets are reviewed for impairment whenever facts and circumstances suggest that the carrying amounts may not be recoverable. If there are indicators of impairment, the recoverable amount of the asset is estimated in order to determine the extent of any impairment. The recoverable amount of an asset or CGU is determined as the higher of its fair value less costs of disposal and its value in use.

Note 3 - Significant Accounting Policies - continued

Fair value is determined as the amount that would be obtained from the sale of the asset in an arm's length transaction between knowledgeable and willing parties. Fair value for mineral assets is generally determined as the present value of estimated future cash flows arising from the continued use of the asset, which includes estimates such as the cost of future expansion plans and eventual disposal, using assumptions that an independent market participant may take into account. Cash flows are discounted to their present value using a discount rate that reflects current market assessments of the time value of money and the risks specific to the asset or CGU. Management has assessed its CGUs as being an individual mine site, which is the lowest level for which cash inflows are largely independent of those of other assets/CGUs. An impairment loss exists if the asset's or CGU's carrying amount exceeds the recoverable amount and is recorded as an expense in the period.

Tangible assets that have been impaired in prior periods are tested for possible reversal of impairment whenever events or changes in circumstances indicate that the impairment has reversed. If the impairment has reversed, the carrying amount of the asset is increased to its recoverable amount but not beyond the carrying amount that would have been determined had no impairment loss been recognized for the asset in prior periods. A reversal of an impairment loss is recognized in profit or loss immediately.

i) Environmental Rehabilitation Obligations ("ERO")

The Corporation recognizes a liability for restoration, rehabilitation and environmental obligations associated with long-lived assets, including the abandonment of resource properties and returning properties to the condition required in order to satisfy regulatory obligations.

The present value of future rehabilitation cost estimates is capitalized to the corresponding asset along with a corresponding increase in the rehabilitation provision in the period incurred. Discount rates using a pre-tax rate that reflect the time value of money are used to calculate the present value.

The Corporation's estimates are reviewed annually for changes in regulatory requirements, effects of inflation and changes in estimates. The discounted liability is increased for the passage of time and adjusted for changes to the current discount rate, and the amount or timing of the underlying cash flows needed to settle the obligation. The liability is subsequently adjusted for the passage of time and is recognized in income or loss as accretion expense.

Additional disturbances or changes in rehabilitation cost will be recognized as additions or charges to the corresponding assets and asset retirement obligation when they occur. If there is a decrease in the estimated rehabilitation costs beyond the corresponding asset balance, this decrease is recognized in income when it occurs.

When the Corporation is virtually certain that all or a portion of the costs will be reimbursed by another party, the Corporation determines whether it would be liable for the entire obligation in the event that the other party failed to pay and then presents the reimbursement as a separate asset. However, if the Corporation determines that it would have no further obligation for those costs in the event that the other party failed to pay then the obligation is net with the expected reimbursement.

j) Lease obligations

The Corporation assesses at contract inception all arrangements to determine whether they are, or contain, a lease. That is, if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. The Corporation is not a lessor in any transactions, it is only a lessee.

The Corporation applies a single recognition and measurement approach for all leases, except for short-term leases and leases of low-value assets. The Corporation recognizes lease liabilities to make lease payments and right-of-use assets representing the right to use the underlying assets.

The Corporation recognizes right-of-use assets at the commencement date of the lease (i.e., the date when the underlying asset is available for use). Right-of-use assets are measured at cost, less any accumulated depreciation and impairment losses, and adjusted for any remeasurement of lease liabilities. The cost of right-of-use assets includes the amount of lease liabilities recognized, initial direct costs incurred, and lease payments made at or before the commencement date less any lease incentives received.

Note 3 - Significant Accounting Policies - continued

Right-of-use assets are depreciated on a straight-line basis over the shorter of the lease term and the estimated useful lives of the assets, as follows:

- Office leases – 5 years
- Motor vehicles – 4 years
- Office equipment – 5 years

If ownership of the leased asset transfers to the Corporation at the end of the lease term or the cost reflects the exercise of a purchase option, depreciation is calculated using the estimated useful life of the asset. The right-of-use assets are also subject to impairment.

At the commencement date of the lease, the Corporation recognizes lease liabilities measured at the present value of lease payments to be made over the lease term. The lease payments include fixed payments (and, in some instances, in-substance fixed payments) less any lease incentives receivable, variable lease payments that depend on an index or a rate, and amounts expected to be paid under residual value guarantees. The lease payments also include the exercise price of a purchase option reasonably certain to be exercised by the Corporation and payments of penalties for terminating the lease, if the lease term reflects the Corporation exercising the option to terminate. Variable lease payments that do not depend on an index or a rate are recognized as expenses (unless they are incurred to produce inventories) in the period in which the event or condition that triggers the payment occurs.

In calculating the present value of lease payments, the Corporation uses its incremental borrowing rate at the lease commencement date because the interest rate implicit in the lease is generally not readily determinable. After the commencement date, the amount of lease liabilities is increased to reflect the accretion of interest and reduced for the lease payments made. In addition, the carrying amount of lease liabilities is remeasured if there is a modification, a change in the lease term, a change in the lease payments (e.g., changes to future payments resulting from a change in an index or rate used to determine such lease payments) or a change in the assessment of an option to purchase the underlying asset.

The Corporation applies the short-term lease recognition exemption to its short-term leases of equipment (i.e., those leases that have a lease term of 12 months or less from the commencement date and do not contain a purchase option). These lease payments on short-term leases and leases of low-value assets are recognized as expense on a straight-line basis over the lease term.

k) Provisions

Liabilities are recognized when the Corporation has a present legal or constructive obligation arising as a result of a past event and it is probable that a future outflow of resources will be required to settle the obligation and a reliable estimate of the obligation can be made.

A provision is a liability of uncertain timing or amount. Provisions are measured at the present value of the expenditures expected to be required to settle the obligation using the pre-tax rate that reflects the current market assessments of the time value of money and the risks specific to the obligation. The increase in the provision due to the passage of time is recognized as a finance cost.

l) Share-based Compensation

The Corporation grants stock options, restricted share units, and deferred share units to directors, officers, employees and consultants of the Corporation pursuant to a stock option plan. The fair value of stock options granted is recognized as an expense with a corresponding increase in contributed surplus. The fair value of restricted share units and deferred share units granted are recognized as an expense with a corresponding increase in current liabilities.

Share-based compensation to employees and others providing similar services are measured on the grant date at the fair value of the instruments issued as measured using the Black-Scholes Option Pricing Model. The amount recognized as an expense is adjusted to reflect the actual number of options that are expected to vest. Each tranche in an award with graded vesting is considered a separate grant with a different vesting date and fair value.

Note 3 - Significant Accounting Policies - continued

Share-based payments to non-employees are measured at the fair value of the goods or services received, unless that fair value cannot be estimated reliably, in which case the fair value of the equity instruments issued is used. The value of the goods or services is recorded at the earlier of the vesting date, or the date the goods or services are received.

Any consideration received upon exercise of options is credited to share capital and the associated amounts originally recorded in contributed surplus are transferred to share capital. Any consideration received upon exercise of restricted share units or deferred share units are credited to share capital, and the associated liabilities are transferred to share capital. In the event instruments are forfeited prior to vesting, the amount recognized in prior periods in relation to the instrument is reversed.

m) Warrants Issued in a Private Placement of Share Units

Warrants issued along with common shares in a private placement of units are valued using the relative fair value method. This method involves separately valuing the common shares at the fair value on the date of the transaction and the warrants using the Black-Scholes Option Pricing Model. Then the proceeds from the private placement are allocated based on the common shares and warrants proportionate valuations and credited to share capital or contributed surplus, respectively.

n) Income Taxes

Income tax expense comprises current and deferred tax. Income tax is recognized in profit or loss except to the extent that it relates to items recognized directly in equity and other comprehensive income, in which case the tax expense is also recognized directly in equity and other comprehensive income, respectively.

Current tax is the expected tax payable or receivable on the taxable income or loss for the year, using tax rates and laws enacted or substantively enacted at the reporting date, and any adjustment to tax payable in respect of previous years.

Deferred tax assets and liabilities are provided for using the liability method on temporary differences between the tax bases and carrying amounts of assets and liabilities. Deferred tax assets and liabilities are measured using enacted or substantively enacted tax rates expected to apply to taxable income in the year in which temporary differences are expected to be recovered or settled. Changes to these balances, including changes due to changes to income tax rates, are recognized in profit or loss in the period in which they occur.

Deferred tax assets are recognized to the extent future recovery is probable. Deferred tax assets are reduced to the extent it is no longer probable that enough taxable profits will be available to allow all or part of the asset to be recovered.

Deferred tax liabilities are generally recognized in full, although IAS 12 "Income Tax" specifies limited exemptions. As a result, the Corporation does not recognize deferred tax on temporary differences relating to goodwill or the initial recognition of an asset or liability in a transaction that is not a business combination and that, at the time of the transaction, affects neither accounting profit nor taxable profit.

o) Revenue Recognition

The Corporation's revenue is primarily derived from the sale of aggregates. Revenue from contracts with customers is recognized when control of the goods or services is transferred to the customer at an amount that reflects the consideration to which the Corporation expects to be entitled in exchange for those goods or services.

Prior to revenue being recognized in the consolidated statements of loss and comprehensive loss, the Corporation must have an enforceable sales contract, in accordance with customary business practices that clearly outline each party's rights regarding the goods to be transferred, payment terms, etc.; the contract must have economic substance; and it must be probable that the Corporation will ultimately receive payment.

The Corporation determines the transaction price, which is the contract price net of discounts plus variable consideration, and then allocates the transaction price to the performance obligations stated in the contract. Typically, the only performance obligation stated in the majority of the Corporation's contracts is to transfer control of the aggregate to the customer.

Revenue is recognized as follows:

Note 3 - Significant Accounting Policies - continued

Product sales revenue

The Corporation sells aggregates from pits which it owns through the Alberta Metallic and Industrial Minerals Permits and Surface Material Leases. The Corporation transfers control to the customer and recognizes revenue at the point in time where the aggregate material leaves the pit.

The Corporation also sells third-party aggregate via AMI RockChain. The Corporation has concluded that it is the principal in the sale of third-party aggregate materials because it controls the product before transferring control to the customer. Revenue is recognized at the point in time where the aggregate material is delivered to the customer.

Services revenue

The Corporation recognizes revenue for various management services, including project work and the sale of aggregate from public pits. In Q1 2020, the Corporation began managing the Coffey Lake aggregate pit, where a management fee is earned based on the volume extracted from the pit. The Corporation transfers control to the customer and recognizes revenue at the point in time where the aggregate material leaves the pit.

In certain contracts where transportation occurs subsequent to acceptance and transfer of control of aggregate to the customer, the Corporation recognizes revenue for the performance obligation relating to the sale of the aggregate as part of a bill and hold arrangement. At that time, control is transferred to the customer as the reason for the bill and hold arrangement is substantive, the Corporation cannot sell the aggregate to another customer, the aggregate can be identified separately and is ready for physical transfer to the customer. Revenue for the transportation of the aggregate is recognized as the performance obligation is satisfied when the aggregate is delivered to the customer.

For general contractor services on certain projects, the Corporation recognizes revenue as the performance obligation is satisfied as the services are performed.

For income generated from the joint venture, the Corporation recognizes its share of profit or loss.

Contract costs

Any incremental costs of obtaining a contract, such as sales commissions and costs of fulfilling a contract, such as permitting and development costs, are capitalized as a contract cost on the statement of financial position, as long as the Corporation expects to recover those costs, the costs relate directly to the contract, and they enhance resources of the Corporation that will be used to satisfy performance obligations under the contract in the future. Any costs to obtain a contract that would have been incurred whether or not the contract was obtained are expensed through the statement of loss and comprehensive loss. Any contract costs capitalized are amortized over the contract term. An impairment loss is recognized when the carrying amount of the contract costs exceeds the remaining amount of consideration that the Corporation expects to receive under the contract less the direct costs associated with transferring control of the aggregate to the customer. These impairment losses are recognized through the statement of loss and comprehensive loss, along with any reversals of previous impairment losses.

p) Government Assistance

Government assistance is recognized when there is reasonable assurance of claim acceptance. Assistance for expenses is recognized as a reduction of the expense in the period the expense is recognized. Assistance for other capital assets is recognized as a reduction against the carrying cost of the asset. Assistance for detector parts is recognized as deferred government assistance and amortized to profit & loss over 3 years – the same amortization basis for finished detectors.

q) Segmented Reporting

The Corporation has four reportable segments:

- a) **AMI Aggregates:** The Corporation produces and sells aggregate out of its Corporate pits, manages the Coffey Lake aggregate pit on behalf of the Government of Alberta for which management services revenue are earned, and manages other contract work for customers.
- b) **AMI RockChain:** The Corporation sells third-party aggregate using the RockChain™ digital platform to provide integrated supply and transportation solutions for industrial and construction markets.

Note 3 - Significant Accounting Policies - continued

- c) AMI Silica: The Corporation owns a 100% interest in the Firebag silica sand project. As at December 31, 2021, the Corporation owned a 100% of two private Alberta corporations that own the Montney In-Basin Project and the Duvernay Project (see Note 12), respectively. The Corporation also owns a 50% interest in a Wisconsin silica sand mine and facilities through its joint venture in AMI Silica LLC (note 4).
- d) TerraShift offers technology-based applications that support resource exploration and development, environmental and regulatory planning, resource management, compliance reporting, and reclamation for a customer base across Western Canada. The Corporation is in the process of winding down the operations of TerraShift.

The Corporation's operating segments are components that engage in business activities and earn revenues and/or incur expenses for which there is discrete financial information available that is regularly reviewed by management to make resource allocation decisions and assess the segment's performance.

The Corporation aggregates reportable segments with similar economic characteristics. Reportable segments are determined based on the corporate structure and operations. Corporate & Eliminations is disclosed for reconciliation purposes only.

r) Investment in Associates and joint ventures

Investments in associates and joint ventures are accounted for using the equity method.

The carrying amount of the investment in associates and joint ventures is increased or decreased to recognize the Corporation's share of the profit or loss and other comprehensive income of the associate and joint venture, adjusted where necessary to ensure consistency with the accounting policies of the Corporation.

Where the Corporation's share of losses in investment in associates and joint ventures equals or exceeds its equity accounted interest in the entities, including any other unsecured long-term receivables, the Corporation does not recognize further losses unless it has incurred obligations or made payments on behalf of the other entity.

Unrealized gains and losses on transactions between the Corporation and its associates and joint ventures are eliminated to the extent of the Corporation's interest in those entities. Where unrealized losses are eliminated, the underlying asset is also tested for impairment.

s) Acquisition of 213 and 214

The Corporation has applied the concentration of fair value test to assess whether an acquired set of activities and assets is not a business. Under the tests performed, the Corporation identified that 96% and 95% respectively of each Corporations' main asset were resource properties. Since the assets acquired/liabilities assumed do not constitute a business the costs have been allocated across the assets/liabilities based on their relative fair value bases.

The Corporation has the accounting policy choice of remeasuring previously held equity interests to fair value, with any gain/(loss) through the income statement; or not remeasuring any previously held equity interests.

Using management's judgement, the Corporation has chosen not to remeasure any previously held equity interest.

t) Earnings (Loss) Per Common Share

Basic earnings (loss) per common share is calculated by dividing the net income or loss for the period by the weighted average number of common shares outstanding during the financial reporting period.

Diluted income (loss) per share is calculated by adjusting the weighted average number of shares for the dilutive effect of options and warrants. The computation of diluted income per share assumes the conversion, exercise or contingent issuance of securities only when such conversion would have a dilutive effect on income. It is assumed that outstanding options, warrants, and similar items are exercised or converted into shares and that the proceeds that would be realized upon such exercise or conversion are used to purchase common shares at the average market price per share during the relevant period.

Note 3 - Significant Accounting Policies - continued

u) Financial Instruments

Fair Value

When measuring fair values of financial assets and liabilities, the fair values are grouped into three levels of a hierarchy based on the observability of significant inputs used in making the measurements, as follows:

- Level 1 – Quoted prices (unadjusted) in active markets for identical assets or liabilities that the Corporation can assess at the measurement date;
- Level 2 – Inputs other than quoted prices included in Level 1 that are observable for the asset or liability either directly as prices or indirectly derived from prices; and
- Level 3 – Inputs for the asset or liability that are not based on observable market data.

Initial recognition and measurement

The Corporation initially recognizes a financial instrument when it has become party to the contractual provisions of the financial instrument. Financial instruments are initially measured at fair value plus or minus directly attributable transaction costs to acquire or issue the instrument.

Classification and subsequent measurement

Financial assets:

The Corporation classifies its financial assets as either measured at 1) amortized cost using the effective interest method 2) fair value through other comprehensive income or 3) fair value through profit or loss. Classification is based on the Corporation's business model for managing financial assets, which is to hold the financial asset to collect contractual cash flows, and the contractual cash flows of the asset, which are solely payments of principal and interest.

Derivative financial instruments, such as share purchase options, are initially measured at fair value, while transaction costs are expensed and are classified as either fair value through profit or loss or fair value through other comprehensive income based on the Corporation's business model for managing financial assets and the contractual cash flow characteristics of the derivative.

Financial liabilities:

The Corporation classifies and measures its financial liabilities at amortized cost.

Derecognition

Financial assets are derecognized when the contractual rights to the cash flows expire or the financial asset is transferred to another entity and the Corporation is no longer entitled to the contractual cash flows or has an obligation to pay the cash flows to another party.

The Corporation writes off a financial asset when the party to the financial asset has defaulted on their obligations to the Corporation. Default is when there is no longer a reasonable expectation of recovering the asset, which is subject to management judgement, but is typically when either one or a combination of the following events have occurred:

- The party to the financial asset is continuously unresponsive to management's collection efforts,
- The Corporation has placed a lien on the customer's project, and/or
- The Corporation has commenced legal action against the customer.

Financial liabilities are derecognized when the liability is discharged, canceled, or expired.

Note 3 - Significant Accounting Policies - continued

Impairment for trade receivables

The loss allowance for trade receivables without a significant financing component classified at amortized cost are measured using the simplified approach and records a loss allowance as the lifetime expected credit losses. Under the simplified approach, expected credit losses are measured using a present value and probability-weighted model that considers all reasonable and supportable information available without undue cost or effort along with the information available concerning past defaults, current conditions and forecasts at the reporting date. Impairment losses are presented as a decrease in accounts receivable and an expense through the statement of loss and comprehensive loss as impairment loss on trade receivables. If in a subsequent period the estimated credit loss decreases, the previously recognized impairment loss will be reversed through the consolidated statement of loss and comprehensive loss.

v) Business Combinations and Goodwill

Business combinations are accounted for using the acquisition method, using the adopted amendments to IFRS 3 definition of a business. The cost of the business combination is measured as the aggregate of the consideration transferred, measured at the acquisition date at fair value. The acquiree's identifiable assets, liabilities and contingent liabilities that meet the conditions for recognition under IFRS 3, "Business Combinations" are recognized at their fair values at the acquisition date. Acquisition costs incurred are expensed in the period in which they are incurred except for costs related to shares issued in conjunction with the business combination.

Goodwill is initially measured at the excess of the fair value of consideration transferred less the fair value of the net identifiable assets acquired and liabilities assumed. If this amount is lower than the fair value of the net assets of the subsidiary acquired, the difference is recognized immediately in the consolidated statement of loss and comprehensive loss. After initial recognition, goodwill is measured at cost less any accumulated impairment losses. Goodwill is not amortized but is subject to an annual impairment test. Goodwill impairment is evaluated annually or more frequently, if events or changes in circumstances indicate that the asset might be impaired.

w) Government Assistance

Government grants related to income are accounted for as a deduction in reporting the related expense and are recognized in the period in which the grant becomes receivable. Government loans with forgiveness options are treated as government grants in the period in which there is reasonable assurance that the forgiveness terms of the loans will be met.

Recent Accounting Pronouncements

x) Standards Issued but not yet Effective

Each year new standards and interpretations are issued, but not yet effective, for the Corporation's current financial statements. When the new standards are reasonably expected to have an impact, the Corporation discloses the potential impact that these new standards may have on its disclosures, financial position or performance when applied at a future date. The Corporation intends to adopt these standards when they become effective.

The Corporation did not adopt any accounting standards during the year ended December 31, 2022, that materially impacted the Corporation's consolidated financial statements.

The Corporation plans to adopt the following amendments to the accounting standards, issued by IASB, that are effective for the annual period beginning on or after December 1, 2021. The pronouncements will be adopted on their respective effective dates; however, each is not expected to have a material impact on the consolidated financial statements.

Disclosure of Accounting Policies (Amendments to IAS 1)

The IASB has issued amendments to IAS 1 *Presentation of Financial Statements* which require entities to disclose their "material" accounting policy information rather than their "significant" accounting policies. The amendments explain that accounting policy information is material if omitting, misstating or obscuring that information could reasonably be expected to influence decisions that the primary users of the financial statements make on the basis of those financial statements. The amendments also clarify that accounting policy information may be material because of its nature, even if the related amounts are immaterial. This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The adoption of this amendment will not have a material impact on the Corporation's consolidated financial statements.

Note 3 - Significant Accounting Policies - continued

Definition of Accounting Estimates (Amendments to IAS 8)

The IASB has issued amendments to IAS 8 *Accounting Policies, Changes in Accounting Estimates and Errors* which introduce a definition of accounting estimates and provide other clarifications to help entities distinguish accounting policies from accounting estimates. Under the amendments, accounting estimates are defined as “monetary amounts in financial statements that are subject to measurement uncertainty”. The amendments also emphasize that a change in an accounting estimate that results from new information or new developments is not an error correction, and that changes in an input or a measurement technique used to develop an accounting estimate are considered changes in accounting estimates if those changes in an input or measurement technique are not the result of an error correction. This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of these amendments has not yet been determined.

Deferred Tax related to Assets and Liabilities arising from a Single Transaction (Amendments to IFRS 1 and IAS 12)

The IASB has issued amendments to IFRS 1 *First-time Adoption of International Financial Reporting Standards* and IAS 12 *Income Taxes* which clarify that the initial recognition exemption set out in IAS 12 does not apply to transactions that give rise to equal taxable and deductible temporary differences. The aim of the amendments is to reduce diversity in the reporting of deferred tax on leases and decommissioning obligations. This amendment is effective for annual periods beginning on or after January 1, 2023. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)

The IASB has published *Classification of Liabilities as Current or Non-Current (Amendments to IAS 1)* which clarifies the guidance on whether a liability should be classified as either current or non-current. The amendments:

- clarify that the classification of liabilities as current or non-current should only be based on rights that are in place "at the end of the reporting period".
- clarify that classification is unaffected by expectations about whether an entity will exercise its right to defer settlement of a liability.
- make clear that settlement includes transfers to the counterparty of cash, equity instruments, other assets or services that result in extinguishment of the liability.

This amendment is effective for annual periods beginning on or after January 1, 2024. Earlier application is permitted. The extent of the impact of adoption of this amendment has not yet been determined.

Note 4 – Investment in Joint Venture

The Corporation and JMAC Energy Services LLC. Jointly control AMI Silica LLC on a 50/50 basis. AMI Silica LLC was formed under the laws of North Dakota effective June 2, 2021. The investment in AMI Silica LLC is accounted for using the equity method in accordance with IAS 28.

Summarized financial information for AMI Silica LLC is set out below:

	100% share of AMI Silica LLC (CAD)	
	December 31, 2022	December 31, 2021
Current assets (a)	\$ 16,621,022	\$ 1,562,236
Non-current assets	95,314,190	-
Total assets	111,935,212	1,562,236
Current liabilities (b)	19,422,808	1,051,272
Non-current liabilities (c)	45,588,106	-
Total liabilities	65,010,914	1,051,272
Net assets	46,924,298	510,964
(a) Includes cash and cash equivalents	337,742	425,283
(b) Includes financial liabilities (excluding trade and other payables and provisions)	3,037,666	-
(c) Includes financial liabilities (excluding trade and other payables and provisions)	23,020,882	-
Revenue	43,566,914	\$ 9,273,670
Gain on Wisconsin Assets	48,114,806	-
Total Net income and Other Comprehensive income for the year	44,717,934	480,476
Depreciation and Amortization	6,435,390	-
Tax Expense	2,009,130	-
A reconciliation of the above summarized financial information to the carrying amount of investment in Silica LLC is set out below:		
Total net assets	46,924,298	510,964
Proportion of ownership interests held by group	50.00%	50.00%
Ending balance, Investment in Joint Venture	23,462,149	255,482
Investment in Joint Venture		
Opening balance, December 31, 2021	255,482	
Initial in-kind investment		12,760
Equity pick up	22,358,967	240,238
Foreign exchange impact	847,700	2,484
Ending balance, investment in Joint Venture	\$ 23,462,149	255,482

Additional information about the joint venture receivable is included:

	AMI Silica LLC Receivable 100% CAD
Original amounts invested in 2022	\$ 1,498,004
Repayments in 2022	(820,804)
Ending amount of Joint Venture Receivable, December 31, 2022	677,200

Note 4 – Investment in Joint Venture - continued

Joint venture receivable

The Corporation has a receivable balance from AMI Silica LLC of \$677,201. The receivable is non-interest bearing and has no set maturity date. Any repayments of the receivable are subject to AMI Silica LLC board approval.

AMI Silica LLC. Financing

On September 15, 2022, AMI Silica LLC. entered into a debt financing facility for US\$2,700,000 with a US lender. Under the terms of this financing, the facility is secured by eligible equipment owned by AMI Silica LLC and is not subject to any covenants. A payment of principal amount in the amount of US\$56,373 was paid at closing and thereafter 35 equal consecutive monthly installments, beginning on the 1st of October and continuing on the same day of each month with the final payment on August 1, 2025 (“maturity date”). All amounts outstanding, including all accrued and unpaid interest and other amounts payable, shall be due and payable on the maturity date. The loan interest rate is based on the US prime rate as reported in the Wall Street Journal plus a Margin of 4.25%.

Equipment Financing

In April 2022, AMI Silica LLC. purchased a piece of heavy equipment and entered into an equipment financing agreement for US\$508,343 with a US equipment company. Under the terms of this financing, the facility is secured by the purchased equipment owned by AMI Silica LLC and is not subject to any covenants. The implicit interest rate is 8.25% and the term of agreement is 48 months with monthly payments of principal and interest in the amount of US\$12,470 with the final payment on May 7, 2026 (“maturity date”). All amounts outstanding, including all accrued and unpaid interest and other amounts payable, shall be due and payable on the maturity date.

Bonding Facility for Wisconsin Sand

As part of the acquisition of the operational U.S. sand mine and facilities in Hixton, Wisconsin (Note 5), AMI Silica LLC. arranged a bonding facility through Trisura Guarantee Insurance Company (“Trisura”) for various bonds required to close the transaction. The bonds are subject to an annual rate of 2.5% and are secured by a first security charge over all of the land, plant and equipment of the sand mine and facilities (with the exception of the secured assets under the US \$2.7 million loan in AMI Silica LLC). Bonds issued and outstanding under the facility total US\$13,742,579 and are for reclamation, road use, railcar subleases and general performance.

Note 5- Business Combination

Effective February 1, 2022, the Corporation, through its 50/50 joint venture AMI Silica acquired an operational U.S. sand mine and facilities in Hixton, Wisconsin, the results of which are included in the Corporations investment in joint venture accounted for using the equity method. The Corporation closed the Definitive Agreement on March 3, 2022, in an arms-length transaction for a total price of \$1,000,000 USD. The Corporation was able to acquire these assets at a bargain purchase, as the seller had made a strategic decision to exit the industry. As the fair value of the assets acquired was significantly higher than the purchase price, a large gain was recognized on the acquisition.

In accordance with IFRS 3 Business Combinations (“IFRS 3”), this transaction meets the definition of a business combination and, accordingly, the assets acquired, and the liabilities assumed have been recorded at their respective estimated fair values as of the acquisition date, being February 1, 2022. The purchase price was allocated based on the Corporation’s fair value estimates. The fair value of the railcar sublease asset and railcar sublease obligation was estimated using the Corporation’s lease accounting policies including assumptions around applicable discount rates. The fair value of the land was determined using tax assessed values. The fair value of the remaining property, plant, and equipment was estimated with the assistance of external valuation specialists and is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, as required by IFRS 13 Fair Value Measurement. This was determined to be the stand-alone/in exchange value based on market and orderly liquidation gathered for comparable assets, rather than the value imputed by other valuation methods due to the imprecision of expected cashflows in the absence of a National Instrument 43-101 reserve report. The range for stand-alone value ranged from \$52,011,000 to \$60,582,000 for all plant and equipment acquired and was estimated using a cost approach in relation to buildings whereas a sales comparison approach was utilized to value the transportation equipment, machinery and

Note 5- Business Combination - continued

equipment. Management considered the upper limit of the range to be acceptable for measurement in accordance with as it was consistent with other valuation methods. The fair value of the reclamation and other liabilities was calculated consistently with the Corporation's other asset retirement obligations and includes assumptions about inflation and discount rates over time to represent the estimated future cost of dismantling, restoring, and reclaiming the plant and mines. Deferred income taxes represent the temporary differences between future expenses for accounting purposes and income tax purposes at the Corporation's effective tax rate.

The purchase price allocation was as follows:

	USD 100% Joint Venture	CAD (100%)	CAD 50% AMI ownership
Purchase price	\$ 2,200,563	\$ 2,793,395	\$ 1,396,698
Railcar sublease Asset	5,131,507	6,513,935	3,256,968
Land - Plant site	3,701,250	4,698,367	2,349,184
Land - Transload	345,600	438,705	219,353
Plant Phase 2	24,108,790	30,603,697	15,301,849
Plant Phase 1	20,598,152	26,147,293	13,073,646
Transload	5,513,208	6,998,466	3,499,233
Mobile assets	5,165,000	6,556,451	3,278,226
Property, plant and equipment	59,432,000	75,442,979	37,721,491
Reclamation and other liabilities	(6,630,405)	(8,416,636)	(4,208,318)
Railcar sublease obligation	(5,131,507)	(6,513,935)	(3,256,968)
Deferred taxes liability	(13,763,481)	(17,471,363)	(8,735,682)
Gain on acquisition of Wisconsin Assets	(36,837,551)	(46,761,587)	(23,380,794)
	\$ 2,200,563	\$ 2,793,393	\$ 1,396,697

The gain on acquisition of Wisconsin assets is included in investment in joint venture on the consolidated statement of income (loss) and comprehensive income (loss). The transaction costs of \$225,000 were expensed to general and administrative expenses within the joint venture.

Note 6 – Trade and Other Receivables

Trade and other receivables are non-interest bearing and are carried at amortized cost, and impaired using the simplified approach which provides for potential losses using a matrix based on historical observed default rates. These provisions are known as lifetime expected credit losses.

During the year ended December 31, 2022, the estimated credit loss amounted to \$nil (2021: \$nil).

Note 7 – Inventory

Aggregate Inventory with a production cost of \$902,976 (2021: \$4,583,928) was sold and is included in operating costs for the year ended December 31, 2022.

Due to a lack of sales at current marketed prices, the Corporation recognized a write-down of \$337,099 (2021: \$nil) based on an updated estimate of net realizable value of unprocessed gravel and crushed gravel.

The inventory balance of \$174,703 (2021: \$846,599) consists of \$120,292 of unprocessed gravel, \$54,411 of crushed gravel (2021: \$264,180 of unprocessed gravel and \$582,419 of crushed gravel).

Note 8 – Long Term Deposits

	As at	
	December 31, 2022	December 31, 2021
Security deposits on gravel leases	\$ 629,188	\$ 629,188
Security deposits on miscellaneous leases	126,318	106,520
Security deposits on exploration leases	33,370	33,370
	\$ 788,876	\$ 769,078

Note 9 – Restricted Cash

	As at	
	December 31, 2022	December 31, 2021
Coffey Lake performance bond - right of way	100,000	100,000
Credit card facility	20,148	20,000
	\$ 120,148	\$ 120,000

The Corporation has secured a letter of credit to the benefit of Trisura Guarantee Insurance Company for a Coffey Lake performance bond with the Government of Alberta (note 15) with a \$100,000 (2021-\$100,000) guaranteed investment certificate. The Corporation has secured a corporate credit card facility (note 15) with a \$20,000 (2021-\$20,000) guaranteed investment certificate.

Note 10 – Contract Costs

	Coffee Lake Public Pit		Duvernay Sand Project Off-take Agreement	
Contract Assets at December 31, 2020	\$ 1,433,565	\$	1,000,735	\$
Spending	-		-	
Amortization	(13,830)		-	
Contract Assets at December 31, 2021	\$ 1,419,735	\$	1,000,735	\$
Spending	-		-	
Amortization	(17,605)		-	
Write-down	-		(1,000,735)	
Contract Assets at December 31, 2022	\$ 1,402,130	\$	-	\$

Coffey Lake

The Coffey Lake contract was awarded to the Corporation on February 21, 2019 and the site began operations on March 21, 2020. It is a 15-year contract with the Government of Alberta to construct, operate and manage the Coffey Lake public pit north of Fort McMurray, Alberta. The Coffey Lake contract costs were spent to enable the Corporation to prepare the site for operations. These costs are expected to be recovered through the receipt of fixed volume-based pit management fees from customers, net of Government of Alberta royalties.

The Coffey Lake contract costs are amortized based on actual volume sales as a proportion of the estimated economically recoverable resource (units of production method). For the year ended December 31, 2022, the Corporation recorded amortization of \$17,605 on the Coffey Lake contract costs (2021: \$13,830).

Note 10 – Contract Costs - continued

Prosvita Sand Project Off-take Agreement

The Corporation signed an off-take agreement with Shell Canada Energy for silica sand from the Prosvita Sand Project in the first quarter of 2020. This off-take agreement, which includes certain take-or-pay provisions, carries a five-year term with two mutually acceptable and separate one-year extensions beginning on the later of mid-2021 or 30 days after the Duvernay facility has been commissioned. Due to lengthy regulatory approvals and increasing cost estimates for Prosvita production facilities, it is unlikely silica sand will be produced from the Duvernay site before mid-2026, meaning the Corporation will not be able to meet the terms of this contract. Therefore, the contract costs of \$1,000,735 were written off as at June 30, 2022.

Note 11 – Property, Plant and Equipment

	Equipment - Cdn Operations
Cost:	
December 31, 2020	\$ 5,396,432
Additions	31,627
Net transfers from Right-of-Use Asset	73,823
December 31, 2021	\$ 5,501,882
December 31, 2022	\$ 5,501,882
Accumulated Depreciation:	
December 31, 2020	\$ 4,657,332
Additions	194,811
Net transfers from Right-of-Use Asset	55,828
December 31, 2021	\$ 4,907,971
Additions	133,777
December 31, 2022	\$ 5,041,748
Net book value:	
December 31, 2020	\$ 739,100
December 31, 2021	\$ 593,911
December 31, 2022	\$ 460,134

	Total
Year ended December 31, 2021 depreciation to statement of loss and comprehensive loss	\$ 194,811
Year ended December 31, 2021 depreciation to repayment of ERO	\$ -
Year ended December 31, 2022 depreciation to statement of income (loss) and comprehensive income (loss)	\$ 133,777
Year ended December 31, 2022 depreciation to repayment of ERO	\$ -

Note 12 – Resource Properties

	As at	
	December 31, 2022	December 31, 2021
Exploration costs	\$ 6,232,137	\$ 7,267,345
Pit development costs	120,321	3,100,249
Environmental rehabilitation obligation assets	1,040,110	1,500,372
Other costs	157,100	258,796
	\$ 7,549,667	\$ 12,126,762

Exploration and Pit Development Costs

The exploration and pit development costs were incurred across the Corporation's various operations and development projects which are primarily located in the Fort McMurray area of Northern Alberta. During the year ended December 31, 2022, management reviewed and evaluated the Corporation's resource properties for impairment. It was determined that certain properties were impaired and a write-down totaling \$4,783,481 was made. The factors considered for impairment were whether substantive expenditure on further exploration is no longer planned or did sufficient data exist to indicate that, although exploration or development in an area is likely to proceed, the carrying amount of the resource property is unlikely to be recovered in the next several years. The Firebag development costs were written off at December 31, 2022 as the market for the product is geographically limited and a substitute product is now being used by a prior customer. Alternative commercial uses for silica sand is limited due to the nature of the mineral.

The following table summarizes the Exploration costs:

	Richardson	Hargwen	Montney in-basin	Prosvita	All Other Projects	Total
Cumulative Exploration Cost at December 31, 2020	\$ 1,130,421	\$ 111,890	\$ -	\$ -	\$ 39,761	\$ 1,282,073
Spending	-	70,059	-	504,540	-	574,599
Acquisition of exploration costs	-	-	1,120,203	4,290,472	-	5,410,675
Cumulative Exploration Costs at December 31, 2021	\$ 1,130,421	\$ 181,949	\$ 1,120,203	\$ 4,795,012	\$ 39,761	\$ 7,267,346
Spending	-	-	128,336	151,312	7,316	286,964
Write-down	(1,130,421)	(181,949)	-	-	(9,803)	(1,322,173)
Cumulative Exploration Costs at December 31, 2022	\$ -	\$ -	\$ 1,248,538	\$ 4,946,324	\$ 37,275	\$ 6,232,137

The following table summarizes the Pit Development costs:

	Firebag	Kearl	Logan	House River	Pelican Hill	Emerson	Lynton	Total
Cumulative Pit Development Costs at December 31, 2020	\$ 1,141,355	\$ 1,042,534	\$ 490,321	\$ 175,266	\$ 250,238	\$ 491	\$ 44	\$ 3,100,249
Cumulative Pit Development Costs at December 31, 2021	\$ 1,141,355	\$ 1,042,534	\$ 490,321	\$ 175,266	\$ 250,238	\$ 491	\$ 44	\$ 3,100,249
Additions	-	-	-	-	-	-	-	-
Acquisition of pit development costs	-	-	-	-	-	-	-	-
Transfers from exploration costs	-	-	-	-	-	-	-	-
Current period depletion	-	-	-	-	-	-	-	-
Abandoned projects and write-down	(1,141,355)	(1,042,534)	(370,000)	(175,266)	(250,238)	(491)	(44)	(2,979,928)
Cumulative Pit Development Costs at December 31, 2022	\$ -	\$ -	\$ 120,321	\$ -	\$ -	\$ -	\$ -	\$ 120,321

Note 12 – Resource Properties - continued

Environmental Rehabilitation Obligations (ERO) Asset

The following summarizes the ERO Asset:

	As at	
	December 31, 2022	December 31, 2021
Opening Balance, ERO asset	\$ 1,500,372	\$ 1,598,535
Impairment of ERO asset	(384,855)	-
Change in estimate recognized in ERO asset	263,336	6,004
Amortization of ERO asset	(39,478)	(120,645)
Change in discount rate affecting ERO asset	(299,264)	16,478
Closing Balance, ERO Asset	\$ 1,040,110	\$ 1,500,372

The ERO asset pertains to resource properties where the Corporation has the legal and constructive obligation to complete decommissioning, reclamation, and restoration costs on the property as discussed in Note 18.

Other Costs

As at December 31, 2022, other costs within resource properties include \$157,100 for miscellaneous lease costs and deposits on land (2021: \$258,796). During the year ended December 31, 2022, lease costs of \$96,525 were written-off as management determined further development was unlikely. Amortization of the lease costs in the year ended December 31, 2022 was \$5,171 (2021: \$11,118).

Prosvita Sand Project (Privco2)

On February 5, 2021, the Corporation acquired the remaining 50.4% ownership interest. Since the acquisition occurred, management was required to make a decision on how to account for the previously held equity interest. Two options included:

- Remeasurement of previously held equity interest to fair value, with any gain/loss through the profit and loss
- No remeasurement of previously held equity interest.

Management chose not to remeasure the previously held equity interest.

Payment to the shareholders for the acquisition of 100% interest was comprised of two types of share-based payments:

- Initial payment: 4,000,000 common shares at a contract stated value/fair value of \$0.25 per common share. Fair value was determined based on the share price at the time that trading was halted once it became apparent that news of the acquisition reached the marketplace.
- Contingent payments: 4,000,000 common shares were held in escrow at a contract stated value of \$0.25 per common share. Of the 4,000,000 common shares, the Corporation elected to release 2,000,000 shares from escrow on June 30, 2021, as per the scheduled contingent payments. The remaining 2,000,000 common shares held in escrow previously were released on September 30, 2022 to the founding partners.

The acquisition of 100% interest is accounted for as an asset purchase since under the concentration of fair value test, a single asset constitutes at least 95% of the fair value of the gross assets.

Note 12 – Resource Properties - continued

Montney In-Basin Project

On February 5, 2021, the Corporation acquired the remaining 50.8% ownership interest for \$1 of cash consideration which is the fair value determined by the independent parties to the transaction. Assets acquired include cash, trade, prepaid expenses, and the resource properties.

The acquisition of 100% interest is accounted for as an asset purchase since under the concentration of fair value test, a single asset constitutes at least 95% of the fair value of the gross assets.

	December 31, 2022			As at December 31, 2021		
	Montney in-basin project	Duvernay project	Total	Montney in-basin project	Duvernay project	Total
Investment in associate, beginning of year	\$ -	\$ -	\$ -	\$ 1,568,757	\$ 1,955,534	\$ 3,524,291
Additions:						
Cash consideration for acquisition of 100% interest	-	-	-	1	-	1
Share consideration for acquisition of 100% interest	-	-	-	-	2,000,000	2,000,000
	-	-	-	1,568,758	3,955,534	5,524,292
Assumption of accounts payable and accrued liabilities	-	-	-	-	413,273	413,273
Cash acquired	-	-	-	(41,820)	(78,335)	(120,155)
Trade and other receivables acquired	-	-	-	(381,536)	-	(381,536)
Prepaid expenses and deposits acquired	-	-	-	(25,200)	-	(25,200)
Resource properties acquired	-	-	-	(1,120,202)	(4,290,472)	(5,410,674)
	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Corporation's ownership interest	100.0%	100.0%	-	100.0%	100.0%	-
Corporation's share of associate's net loss for the year	-	-	-	-	-	-
Investments in associates, end of year	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note 13 – Intangible Assets

	Customer Relationships		Software		Total
Cost:					
December 31, 2021	\$ 83,635	\$ 59,812	\$ 143,447		
Additions	-	-	-		
Disposals	-	-	-		
December 31, 2022	\$ 83,635	\$ 59,812	\$ 143,447		
Accumulated Depreciation:					
December 31, 2021	\$ 83,635	\$ 23,611	\$ 107,246		
Additions	-	12,733	12,733		
Disposals	-	-	-		
December 31, 2022	\$ 83,635	\$ 36,344	\$ 119,979		
Net book value:					
December 31, 2021	\$ -	\$ 36,201	\$ 36,201		
December 31, 2022	\$ -	\$ 23,468	\$ 23,468		

During the years ended December 31, 2022 and December 31, 2021, management recorded no impairment loss on intangible assets, did not identify indicators of impairment, and did not sell or dispose of any intangible assets.

Note 14 – Right-of-use Assets

	Truck lease asset	Calgary office lease asset	Edmonton office lease asset	Xerox Photocopier lease asset	Total
Cost:					
December 31, 2020	\$ 73,823	\$ 204,854	\$ 168,613	\$ 15,116	\$ 462,406
Net Transfers to PPE	(73,823)	-	-	-	(73,823)
December 31, 2021	\$ -	\$ 204,854	\$ 168,613	\$ 15,116	\$ 388,583
Additions	-	320,492	-	-	320,492
Disposals	-	(204,854)	(5,447)	-	(210,301)
December 31, 2022	\$ -	\$ 320,492	\$ 168,613	\$ 15,116	\$ 498,774
Accumulated Depreciation:					
December 31, 2020	\$ 55,828	\$ 56,811	\$ 94,633	\$ 4,167	\$ 211,439
Additions	-	73,975	68,533	3,024	145,532
Disposals	(55,828)	-	-	-	(55,828)
December 31, 2021	\$ -	\$ 130,786	\$ 163,166	\$ 7,191	\$ 301,143
Additions	-	4,265	-	3,026	7,291
Disposals	-	(130,786)	-	-	(130,786)
December 31, 2022	\$ -	\$ 4,265	\$ 163,166	\$ 10,217	\$ 177,648
Net book value:					
December 31, 2020	\$ 17,995	\$ 148,043	\$ 73,980	\$ 10,949	\$ 250,967
December 31, 2021	\$ -	\$ 74,068	\$ -	\$ 7,925	\$ 87,440
December 31, 2022	\$ -	\$ 316,227	\$ 5,447	\$ 4,899	\$ 321,126

These right-of-use assets are being depreciated over the expected life of each asset in accordance with the Corporation's accounting policies under the accounting standard, IFRS 16, which was adopted on January 1, 2019.

Note 15 – Bank and Other Loans

CWB Bank Loan (CWB)

As at December 31, 2022 the Corporation has an outstanding balance owing of \$193,735 and is not subject to any covenants as part of the credit facility. The loan is secured by a general security agreement on all Canadian assets and full liability guarantees from AMI RockChain Inc. and AMI Silica Inc.

Interest paid has been expensed as finance costs (See Note 25). Blended loan payments started in August 2020 and the Corporation has paid down principal of \$561,316 on the bank loan in the year ended December 31, 2022 (2021: \$531,873).

On February 28, 2023, the Corporation repaid the outstanding balance owing at that time of \$146,849 using proceeds from a new loan the Corporation obtained (Note 27).

Canada Emergency Business Account (“CEBA”) Loans

The CEBA loans are interest free and are to be repaid before December 31, 2023 and the Government of Canada will forgive 25% of the initial loan amount, and 50% of subsequent increases, if repaid on time.

Note 15 – Bank and Other Loans - continued

The following table summarizes bank and other loans:

	Interest Rate	Monthly Payments	As at	
			December 31, 2022	December 31, 2021
Canada Emergency Business Account (AMI RockChain)	0.00%	\$ -	\$ 60,000	\$ 60,000
Canada Emergency Business Account (AMI Silica)	0.00%	\$ -	60,000	60,000
Canada Emergency Business Account (TerraShift)	0.00%	\$ -	60,000	60,000
Canada Emergency Business Account (2132561)	0.00%	\$ -	60,000	60,000
Canada Emergency Business Account (2140534)	0.00%	\$ -	60,000	60,000
CWB Bank Loan Facility, due April 30, 2023	5.40%	\$ 49,022	193,736	755,051
Total Bank and other loans			\$ 493,736	\$ 1,055,051
Current portion - principal due within one year			(493,736)	(755,051)
			\$ -	\$ 300,000

Future minimum bank loan payments for the subsequent five years is as follows:

January 1, 2023 to December 31, 2023	\$ 493,736
January 1, 2024 to December 31, 2024	-
January 1, 2025 to December 31, 2025	-
January 1, 2026 to December 31, 2026	-
January 1, 2027 to December 31, 2027	-
	493,736
Less: interest included in payments above	(493,736)
Bank loan principal outstanding, December 31, 2022	\$ -

As at December 31, 2022, the Corporation has outstanding letters of credit in the amounts of \$854,430 (2021: \$854,430) in favour of the Government of Alberta. These letters of credit are issued by CWB and secured guaranteed investment certificates (note 9) and by Account Performance Service Guarantees.

Account Performance Service Guarantee

In July 2021 the Corporation entered into an Account Performance Service Guarantee (APSG) arrangement with Export Development Canada for a maximum aggregate liability of \$1,000,000. The fee rate under the APSG is 0.2225% for financial types of obligations and 0.1692% for non-financial types of obligations.

The issued and outstanding letters of credit are as follows:

	As at	
	December 31, 2022	December 31, 2021
Susan Lake pit	\$ 228,540	\$ 228,540
Poplar Creek Site, storage yard	180,000	180,000
Emerson pit	75,240	75,240
Coffey Lake reclamation	296,520	296,520
Coffey Lake industrial miscellaneous lease	74,130	74,130
Coffey Lake performance bond	100,000	100,000
	\$ 954,430	\$ 954,430

Note 15 – Bank and Other Loans - continued

Coffey Lake Performance Bond

The Corporation has a \$500,000 bonding facility through Trisura Guarantee Insurance Company (“Trisura”) for a \$500,000 bond with the Government of Alberta for the Coffey Lake performance bond. The \$500,000 performance bond with Trisura carries a 2% annual interest rate. Security for the performance bond is based on the appraised value of private lands included in exploration costs and a \$100,000 letter of credit to be held as security by Trisura. This \$100,000 letter of credit is secured with a \$100,000 guaranteed investment certificate (note 9).

Credit Card Facility

The Corporation has access to a corporate credit card facility, up to a maximum of \$20,000 (2021: \$20,000). The Corporation has secured its corporate credit card facility with a guaranteed investment certificate of \$20,000 (See Note 9).

Note 16 – Shareholders’ Loans

On April 29, 2022, the Corporation borrowed \$1,985,000 through shareholders’ loans from a director, officers and senior management and two existing shareholders. The loans were for a period of twelve months, and were unsecured, with interest of 12% per annum, payable monthly. In June 2022, \$85,000 in loans were repaid. On December 31, 2022 the shareholders’ loan agreements were amended with annual interest now 14%, payable monthly and the principal repayment terms extended until May 1, 2024. The loans are still unsecured and the principal balance is due on May 1, 2024. In January 2023, an existing shareholder loaned the Corporation an additional \$500,000 under the amended terms.

	As at	
	December 31, 2022	December 31, 2021
Total Shareholders' Loan	1,900,000	-
	\$ 1,900,000	\$ -
Future minimum Shareholder payments for the subsequent five years is as follows:		
January 1, 2023 to December 31, 2023		
January 1, 2024 to December 31, 2024	\$ 1,900,000	
January 1, 2025 to December 31, 2025	-	
January 1, 2026 to December 31, 2026	-	
January 1, 2027 to December 31, 2027	-	
Future Period	-	
	<u>1,900,000</u>	
Less: interest included in payments above	-	
Shareholder loan outstanding, December 31, 2022	<u>\$ 1,900,000</u>	

Note 17 – Lease Obligations

			As at	
			December 31, 2022	December 31, 2021
Finance Leases	Interest Rate	Monthly/Quarterly* Instalments		
VETS Group Ltd. Calgary Lease - New	14.000%	Variable	298,555	70,603
Xerox Photocopier Lease	3.680%	816 *	4,898	7,914
			303,453	78,517
Current portion - principal due within one year			(8,328)	(73,618)
			\$ 295,126	\$ 4,899

Future minimum lease payments for the subsequent five years is as follows:

January 1, 2023 to December 31, 2023	\$	19,944
January 1, 2024 to December 31, 2024	\$	93,512
January 1, 2025 to December 31, 2025	\$	67,814
January 1, 2026 to December 31, 2026	\$	91,713
January 1, 2027 to December 31, 2027	\$	98,307
		371,290
January 1, 2028 to December 31, 2029 (Beyond 5 years)	\$	65,606
Less: interest included in payments above		133,443
Lease obligations principal outstanding, December 31, 2022	\$	303,453

The following is a reconciliation of the change in lease obligations of the Corporation:

	Total	
Lease obligations as at December 31, 2020	\$	238,161
Addition of lease obligations		-
Total principal repayments		(159,644)
Lease obligations as at December 31, 2021	\$	78,517
Total principal repayments		(73,618)
Addition of lease obligations		298,554
Lease obligations as at December 31, 2022	\$	303,453

Note 18 – Environmental Reclamation Obligations (“ERO”)

The following is a reconciliation of the environmental rehabilitation obligations of the Corporation:

		As at	
		December 31, 2022	December 31, 2021
Opening balance, ERO		2,795,712	\$ 2,644,503
Change in estimate recognized in ERO asset	12	263,336	6,004
Change in discount rate recognized in ERO asset	12	(299,264)	16,478
Change in discount rate recognized in operating expenses		(338,919)	54,815
Accretion expense	25	80,249	74,511
Closing Balance, ERO		2,501,114	2,795,712
Less: Current portion, EROs to be funded within one year		-	(133,295)
Closing Balance, ERO		\$ 2,501,114	\$ 2,662,417

Provisions for EROs are recognized for mining activities at the Corporate owned pits and managed public pits. The Corporation assesses its provision for EROs on an annual basis or when new material information becomes available. The estimated undiscounted ERO Corporate owned pits and managed public pits as at December 31, 2022 is \$2,609,760 (2021: \$3,266,257). Total reclamation funded during the year ended December 31, 2022 was \$nil (2021: \$nil).

The discount rates used by the Corporation for its owned and managed pits are based on the Government of Canada bond yields for periods comparable to the expected timing of reclamation activities at each site. These rates ranged from 3.58% to 3.29% as at December 31, 2022 (December 31, 2021: 0.49% to 1.97%) depending on the expected timing of reclamation activities. Discount rates and inflation rates both increased in 2022 as compared to 2021. It is expected that reclamation activities for the owned and managed pits and stockpile sites, as well as Susan Lake, will occur between 2022 and 2036 considering the projected production schedules, the timing of reclamation activities included in the respective Conservation and Reclamation Business Plans, as well as the timing of expiration of the related surface materials lease for each property.

Accretion expense is the expense calculated when updating the present value of the ERO provision. This expense increases the liability based on estimated timing of reclamation activities and the discount rate used in the ERO calculations. The accretion expense amounts are included in other operating expenses on the statement of loss and comprehensive loss and are summarized in the respective table in Note 25.

Note 19 – Income Taxes

Deferred income tax at December 31, 2022 relates to the tax effects of temporary differences. They are summarized in the following table:

	As at	
	December 31, 2022	December 31, 2021
Deferred tax assets:		
Cumulative eligible capital	\$ 17,983	\$ 19,336
Share issuance costs and finance fees	5,104	9,367
Inventory	-	-
Property, plant and equipment	29,549	14,717
Other	110,261	45,257
Lease obligations	69,794	
Environmental rehabilitation obligations	495,924	563,682
Non-capital loss carryforwards	2,760,229	1,329,868
	3,488,844	1,982,227
Net Deferred tax asset	(3,488,844)	(1,982,227)
Net deferred tax asset	-	-
Deferred tax liabilities:		
Resource properties	\$ 398,610	\$ 1,425,519
Right of use assets	74,033	-
Investment in joint arrangement	2,693,711	-
Contract assets	322,490	556,708
Deferred tax liabilities	3,488,844	1,982,227
Offset of tax	(3,488,844)	(1,982,227)
Net deferred tax liability	\$ -	\$ -

Note 19 – Income Taxes - continued

The actual income tax provision differs from the expected amount calculated by applying the Canadian combined federal and provincial corporate tax rates to income before tax.

The differences result from the following:

	Years ended December 31,	
	2022	2021
Income (loss) before income taxes	\$ 12,428,043	\$ (2,159,721)
Statutory Canadian combined corporate tax rate	23.0%	23.0%
Expected tax recovery	2,858,450	(496,736)
Decrease in income tax recovery resulting from:		
Non-taxable items	71,560	116,265
Tax rate changes, and rate differences	(2,622,558)	6,948
Deferred tax assets not recognized	(269,482)	381,632
Foreign jurisdiction taxes	496,684	-
Other	4,120	2,700
	\$ 538,773	\$ 10,809
Income tax expense is comprised of:		
Current tax expense	\$ 538,773	\$ 10,809
Deferred tax recovery	-	-
	\$ 538,773	\$ 10,809

Movements in deferred tax assets (liabilities) related to temporary differences are as follows:

	Balance December 31,	Recognized in	Balance December	Foreign Exchange	Recognized in	Balance
	2020	Profit/ (loss)	31, 2021		Profit/ (loss)	December 31, 2022
Cumulative eligible capital	20,792	(1,456)	19,336		(1,353)	17,983
Share issuance costs and finance fees	8,434	933	9,367		(4,263)	5,104
Inventory	(32,806)	32,806	-		-	-
Other	39,036	6,221	45,257		65,004	110,261
Lease obligations	-	-	-	-	69,794	69,794
Environmental rehabilitation obligations	528,904	34,778	563,682	-	(67,758)	495,924
Non-capital loss carryforwards	1,310,514	19,354	1,329,868		1,430,361	2,760,229
Resource properties	(1,311,579)	(113,940)	(1,425,519)	-	1,026,909	(398,610)
Right-of-use assets	-	-	-	-	(74,033)	(74,033)
Property, plant, and equipment	(3,406)	18,123	14,717	-	14,832	29,549
Investment in joint arrangement	-	-	-	-	(2,693,711)	(2,693,711)
Contract assets	(559,889)	3,181	(556,708)	-	234,218	(322,490)
Deferred tax asset (liability)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Note 19 – Income Taxes - continued

Deferred tax assets have not been recognized in respect of the following amounts because it is not probable that there will be enough future taxable profits available against which the deferred tax asset can be applied.

	As at	
	December 31, 2022	December 31, 2021
Deductible temporary differences	\$ 519,251	\$ 379,585
Non-capital loss carryforwards	6,687,846	8,271,019
	7,207,097	8,650,604

The Corporation has non-capital tax loss carry forwards of \$18,588,843 (2021: \$14,053,055) that expire between 2037 and 2042.

Note 20 – Share Capital

The continuity of the Corporation's outstanding share capital is as follows:

Notes	Year ended December 31, 2022		Year ended December 31, 2021	
	Number of Shares	Amount	Number of Shares	Amount
Authorized:				
An unlimited number of:				
Common voting shares with no par value				
Preferred shares, issuable in series				
Issued and outstanding, beginning of period	76,964,088	\$ 22,971,793	59,110,153	\$ 18,955,877
Shares issued in acquisition of control of related entities	-	-	6,000,000	1,500,000
Shares issued in payment of royalties	-	-	600,003	150,001
Shares issued and held in escrow	-	-	2,200,001	550,000
Issuance of common share units in private placement	100,000	32,990	7,375,000	1,475,500
Shares issued to contractors/consultants/employees	158,898	75,000	1,421,931	268,812
Common share issuance costs	-	-	-	(11,145)
Stock options exercised	1,359,700	430,107	257,000	82,748
Issued and outstanding, end of period	78,582,686	\$ 23,509,890	76,964,088	\$ 22,971,793

On February 5, 2021, the Corporation announced the acquisition of control of the numbered Alberta corporations that respectively own the Montney In-Basin Project and the Prosvita Sand Project (Note 12) by securing 100% ownership of each company (i.e., Privco1 & Privco2). These transactions were combined and concluded for \$1 of cash consideration and 8,000,000 common shares at a contract stated value of \$0.25 per common share for a total purchase price of \$2,000,001. Of the 8,000,000 common shares, 2,000,000 common shares were issued in 2021 and held in escrow. These shares were released on June 30, 2022 to the founding partners.

The Corporation used common shares to make one final Annual Minimum Royalty ("AMR") payment for the numbered Alberta corporation that owns the Montney In-Basin Project, consisting of 800,004 common shares at a contract stated value of \$0.25 per share, for a total value of \$200,001, to be released from escrow over three corresponding milestone installments of February 5, 2021, June 30, 2021, and June 30, 2022. These shares have been fully released from escrow on June 30, 2022.

Note 20 – Share Capital - continued

Stock options

The Corporation has issued options to Directors, Officers, employees, and consultants of the Corporation as incentives.

The fair value of the options granted was estimated on the dates of the grant using the Black-Scholes Option Pricing Model.

The fair values of the options granted in the last two years were estimated using the following assumptions:

Grant Date	# of Options	Exercise Price	Dividend Yield	Expected Volatility	Risk Free Rate of Return	Expected Life	Weighted Average Fair Value on Grant Date	Forfeiture Rate
September 26, 2022	75,000	\$	0.19	Nil	87.9%	5 years	\$	0.13
September 26, 2022	25,000	\$	0.24	Nil	87.9%	5 years	\$	0.12
June 21, 2022	225,000	\$	0.39	Nil	95.9%	5 years	\$	0.29
May 25, 2022	474,000	\$	0.32	Nil	82.5%	5 years	\$	0.21
April 26, 2022	725,300	\$	0.35	Nil	93.2%	5 years	\$	0.25
December 14, 2021	300,000	\$	0.28	Nil	92.9%	5 years	\$	0.20
November 23, 2021	1,506,000	\$	0.21	Nil	92.7%	5 years	\$	0.15
April 21, 2021	632,400	\$	0.24	Nil	83.4%	5 years	\$	0.16

The expected volatility was determined using historical trading data for the Corporation for a period commensurate with the expected life of the options.

The continuity of the Corporation's outstanding stock options is as follows:

	Year ended December 31, 2022		Year ended December 31, 2021	
	Number of Options	Weighted Average Exercise Price	Number of Options	Weighted Average Exercise Price
Options outstanding, beginning of year:	5,822,200	\$ 0.24	3,691,800	\$ 0.25
Issued	1,524,300	0.34	2,438,400	0.22
Exercised	(1,359,700)	0.19	(257,000)	0.20
Expired or cancelled	(2,265,200)	0.28	(51,000)	0.14
Options outstanding, end of year:	3,721,600	\$ 0.28	5,822,200	\$ 0.24

Of the 3,721,600 (2021: 5,822,200) outstanding stock options, 2,705,400 (2021: 3,390,000) options have vested and therefore, were exercisable as at December 31, 2022 at a weighted average exercise price of \$0.28 per share (December 31, 2021: \$0.24 per share).

During the year ended December 31, 2022, 1,359,700 options were exercised at an average exercise price of \$0.19 per share for total proceeds of \$262,544. The average share price on the days they were exercised was \$0.39 per share. For the year ended December 31, 2021, 257,000 options were exercised at an average exercise price of \$0.22 per share with an average share price on the days they were exercised of \$0.26 per share.

The Corporation's stock option plan provides that the Board of Directors may from time to time, in its discretion, grant to Directors, Officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase common shares.

The stock option plan provides for a floating maximum limit of 10% of the outstanding common shares, as permitted by the policies of the TSX Venture Exchange. Options may be exercisable for up to ten years from the date of grant, but the Board of Directors has the discretion to grant options that are exercisable for a shorter period. The outstanding stock option grants were issued with an exercisable period of five years from the date of the grant. Options under the stock option plan are not transferable or assignable.

Pursuant to the stock option plan, options must be exercised within thirty days following termination of employment or cessation of the optionee's position with the Corporation, or such other period established by the Board of Directors, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death or disability, the option may be exercised within one year, subject to the expiry date.

Note 20 – Share Capital - continued

The Corporation's outstanding stock options are as follows:

Expiry Date	Exercise Price	As at	
		December 31, 2022	December 31, 2021
January 13, 2022	0.24	-	75,000
June 4, 2023	0.17	150,000	300,000
September 13, 2023	0.30	-	100,000
November 23, 2023	0.26	100,000	350,000
January 9, 2024	0.28	140,000	140,000
May 22, 2024	0.57	135,000	270,000
June 24, 2024	0.65	120,000	120,000
August 20, 2024	0.64	30,000	30,000
December 6, 2024	0.33	317,000	470,000
December 19, 2024	0.28	-	15,000
April 16, 2025	0.17	91,500	907,000
November 25, 2025	0.14	254,400	606,800
April 21, 2026	0.24	314,400	632,400
November 23, 2026	0.21	900,000	1,506,000
December 14, 2026	0.28	300,000	300,000
April 26, 2027	0.35	400,300	-
May 25, 2027	0.32	369,000	-
June 21, 2027	0.39	-	-
September 26, 2027	0.24	25,000	-
September 26, 2027	0.19	75,000	-
		3,721,600	5,822,200

The weighted average remaining contractual life of the options outstanding is 3.19 years (2021: 3.53 years).

Restricted Share Unit (“RSUs”) and Deferred Share Units (“DSUs”)

On April 4, 2019, the Corporation adopted Restricted Share Unit (“RSU”) and Deferred Share Unit (“DSU”) plans. No RSUs have been granted yet.

	Year ended December 31, 2022				Year ended December 31, 2021			
	Number of DSUs	Weighted Average Fair Value	Number of RSUs	Weighted Average Fair Value	Number of DSUs	Weighted Average Fair Value	Number of RSUs	Weighted Average Fair Value
Outstanding, beginning of period:	1,227,000	\$ 0.22	-	\$ -	1,227,000	\$ 0.15	-	\$ -
Issued	100,000	0.32	-	-	-	-	-	-
Expired or cancelled	(642,000)	0.43	-	-	-	-	-	-
Outstanding, end of period:	685,000	\$ 0.26	-	\$ -	1,227,000	\$ 0.22	-	\$ -

During the year ended December 31, 2022, 100,000 DSUs were granted to Directors, Officers, and employees of the Corporation (2021: nil). DSUs vest one-third on the first, second, and third (annual) anniversary of the date of grant based on continued tenure of the participant.

Of the 685,000 (2021: 1,227,000) outstanding DSUs, 547,000 (2021: 737,000) DSUs have vested.

The fair value of the DSU liability of \$151,183 (2021: \$266,179), which is based on the closing price of the Corporation's shares on the TSX Venture Exchange as of December 31, 2022 and an expected forfeiture rate of 19.04%, is included in accounts payable and accrued liabilities in the consolidated statements of financial position. Any change to the fair value of the liability is included in share-based compensation expense in the consolidated statements of loss and comprehensive loss.

The vested DSUs are redeemable by the participant following resignation, retirement, or death. The fair value of the DSUs redeemed is equal to the market price of the Corporation's shares and are payable in the form of cash, less applicable withholding taxes.

Note 20 – Share Capital - continued

The stock option plan provides for a floating maximum limit of 10% of the outstanding common shares, as permitted by the policies of the TSX Venture Exchange. The ESP, RSU and DSU plans provide for a defined maximum limit each of 2% of the outstanding common shares, as permitted by the policies of the TSX Venture Exchange.

Share-based compensation expense is comprised of the following:

	Years ended December 31,	
	2022	2021
Stock options	\$ 336,745	\$ 169,085
Deferred share units	(114,996)	78,867
Share-based compensation expense	\$ 221,749	\$ 247,952

Share-based compensation expense in the consolidated statements of income (loss) and comprehensive income (loss) for the year ended December 31, 2022 includes \$42,721 to Directors (2021: \$20,762), (\$12,059) to Officers (2021: \$77,149), and \$191,087 to Employees or Contractors (2021: \$71,174).

Net Income (Loss) and Diluted Income (Loss) Per Common Share

The treasury stock method is used to calculate diluted income (loss) per share, and under this method options that are anti-dilutive are excluded from the calculation of diluted income (loss) per share. The following tables shows the total income and comprehensive income per common share, diluted for the years ended December 31, 2022 and December 31, 2021.

	Years ended December 31,	
	2022	2021
Basic income (loss) per share		
Net income (loss)	\$ 11,889,261	\$ (2,170,530)
Weighted average number of common shares outstanding	77,989,187	67,947,084
Total net income (loss) per common share, basic	\$ 0.152	\$ (0.032)
Diluted income (loss) per share		
Total net income (loss)	\$ 11,889,261	\$ (2,170,530)
Weighted average number of common shares outstanding	77,989,187	67,947,084
Effect of dilutive stock options	2,154,296	-
Weighted average number of common shares outstanding after dilution	80,143,483	67,947,084
Total net income (loss) per common share, diluted	\$ 0.148	\$ (0.032)

Note 21 – Related Party Transactions

The Corporation's related parties include three independent Directors, the Chief Executive Officer, the Chief Financial Officer, AMI RockChain Inc., AMI Aggregates Inc., AMI Silica Inc., TerraShift Engineering Ltd., AMI Silica LLC, the numbered Alberta corporation that owns the Montney In-Basin Project, and the numbered Alberta corporation that owns the Prosvita Sand Project.

The remuneration earned by the Directors was as follows:

	Years ended December 31,	
	2022	2021
Directors:		
Directors fees	\$ 152,000	\$ 158,000
Travel and miscellaneous expenses	1,358	1,007
Share-based compensation	42,721	47,344
	<u>\$ 196,079</u>	<u>\$ 206,351</u>

The Directors fees are paid on a quarterly basis. All related party transactions were in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties.

On April 29, 2022, the Corporation entered into shareholder loan agreements for funds totaling \$1,985,000. (Note 16)

During the year, AMI provided management services to AMI Silica LLC for \$250,389 (2021-\$nil). JMAC provided accounting services to AMI Silica LLC for \$250,380(2021-\$nil).

During the year JMAC provided factoring services to AMI Silica LLC for working capital purposes. Interest and fees totaling USD \$222,812 were paid for these services.

Note 22 – Compensation of Key Management

The remuneration paid to named Officers were as follows:

	Years ended December 31,	
	2022	2021
Salaries and other benefits	\$ 446,709	\$ 581,316
Severance	685,269	-
Share-based compensation	(12,059)	139,694
	<u>\$ 1,119,919</u>	<u>\$ 721,010</u>

Severance expense is for two departed executives who left the Corporation in May and June 2022.

Note 23 – Financial Instruments

Classification

The Corporation's financial instruments consist of the following:

Financial statement item	Classification
Cash	Amortized cost
Trade and other receivables	Amortized cost
Long-term deposits	Amortized cost
Restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Shareholder loans	Amortized cost
Bank and other loans	Amortized cost
Deferred share unit liability (included in Accounts payable and accrued liabilities)	Fair value through profit and loss

Fair Value

Due to the short-term nature of cash, trade and other receivables, as well as accounts payable and accrued liabilities, and the carrying value of these financial instruments approximate their fair value.

The fair value of restricted cash approximates the carrying values as they are at the market rate of interest. Long-term deposits are refundable. The fair values of the long-term deposits are not materially different from their carrying value.

The fair value of bank loans approximates their carrying value as they are at market rates of interest.

The deferred share unit liability is the only financial instrument measured at fair value on a recurring basis. The deferred share unit liability is a Level 2 fair value hierarchy measurement. There were no transfers between Level 1, 2, or 3 of the fair value hierarchy for the year ended December 31, 2022 (2021: none).

Credit Risk

Financial instruments that potentially subject the Corporation to credit risk consist primarily of cash, restricted cash, trade and other receivables, and long-term deposits. The Corporation's maximum credit risk at December 31, 2022 is the carrying value of these financial assets.

Credit risk associated with cash and restricted cash is minimized substantially by ensuring that these financial assets are placed with major financial institutions that have been accorded strong investment grade ratings. Long-term deposits are held with the Government of Alberta thus minimizing their credit risk.

On an ongoing basis, the Corporation monitors the financial condition of its customers with all information available. The Corporation reviews the credit worthiness of all new customers and sets credit limits accordingly in order to minimize the Corporation's exposure to credit losses. The Corporation requires any customers deemed to be high-risk to prepay for aggregate prior to taking delivery.

The aging summary for trade and other receivables is as follows:

	Current	30-60 days	60-90 days	> 90 days	Total
As at December 31, 2022	\$ 1,160,942	\$ 46,373	\$ 150,364	\$ 32,059	\$ 1,389,738
As at December 31, 2021	\$ 566,238	-	\$ 129,044	\$ 3,158	\$ 698,440

Two customers owing greater than 10% of the accounts receivable total balance accounted for 69% of the Corporation's accounts receivable as at December 31, 2022 (2021: one customer accounted for 80%).

Note 23 – Financial Instruments - continued

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through budgeting and forecasting cash flows to ensure it has enough cash to meet its short-term requirements for operations, business development and other contractual obligations.

As at December 31, 2022, the Corporation has insufficient working capital to fund ongoing operations and meet its liabilities when they come due. Accordingly, the Corporation is exposed to significant liquidity risk (see note 1). The Corporation's financial liabilities include accounts payable and accrued liabilities, income taxes payable, and the bank loans and lease obligations, including interest.

The expected remaining contractual maturities of the Corporation's financial liabilities, including interest where applicable, are shown in the following table:

	As at December 31, 2022			
	0 - 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	\$ 2,598,359	\$ -	\$ -	\$ 2,598,359
Income taxes payable	590,050	-	-	590,050
Bank loans, including interest	493,736	-	-	493,736
Shareholders' loans	-	1,900,000	-	1,900,000
Lease obligations, including interest	19,944	161,326	190,020	371,290
Total	\$ 3,702,089	\$ 2,061,326	\$ 190,020	\$ 5,953,435

The AMI Silica LLC general trade receivables have been factored by a related party (note 21). AMI Silica LLC has an obligation to pay the counterparty irrespective of any credit loss. The true contractual rights to the trade receivables have been maintained by AMI Silica LLC, but there is a contractual obligation to pay the obligation. There is also a restriction against any further collateralization of the trade receivables.

Note 24 – Capital Disclosures

The Corporation's objective when managing its capital structure is to maintain a strong financial position and to provide returns with sufficient liquidity to undertake further growth for the benefit of its shareholders. The Corporation's capital is comprised of long-term obligations and equity as outlined below:

	Notes	As at	
		December 31, 2022	December 31, 2021
Total equity attributable to shareholders		\$ 28,614,560	\$ 15,170,319
Total borrowings			
Shareholder loans	16	1,900,000	-
Bank and other loans	15	493,736	1,055,051
Lease obligations	17	303,453	78,517
Cash		(587,623)	(2,348,562)
Total managed capital		\$ 30,724,126	\$ 13,955,325

Note 25 – Supplemental Statement of Income (Loss) and Comprehensive Income (Loss) Disclosures

A large portion of the Corporation's aggregate sales and aggregate management services revenue typically come from a small group of major customers. Any customer who represents more than 10% of the Corporation's revenue for the respective period is considered a major customer. During the year ended December 31, 2022, 82% of sales were made to 3 major customers (2021: 62% to two customers).

Finance costs are comprised of the following:

	Notes	Years ended December 31,	
		2022	2021
Interest on bank loans and shareholders' loans	15	(184,317)	(57,650)
Interest on lease obligations	17	(7,203)	13,337
		\$ (191,520)	\$ (44,313)

Total lease payments, including principal and interest, for the year ended December 31, 2022 was \$80,395 (2021: \$146,187). See Note 17 for additional information.

Total payments on the CWB loan, including interest, for the year ended December 31, 2022 was \$588,262 (2021: \$588,262). See Note 15 for additional information.

Other operating income (expenses) are comprised of the following:

	Notes	Years ended December 31,	
		2022	2021
Amortization of contract costs	10	(17,605)	(13,830)
Amortization of ERO assets	12	(39,478)	(120,645)
Amortization of resource property lease costs	12	(5,171)	(11,118)
Change in estimate for ERO recognized in other operating expenses		-	599
Change in discount rate recognized in other operating expenses		-	(54,815)
Other expense		7,734	-
Accretion of ERO liability	18	(80,249)	(74,511)
		\$ (134,769)	\$ (274,320)

Other non-operating income is comprised of the following:

	Years ended December 31,	
	2022	2021
Gain on disposal of property and equipment	-	50,000
	-	-
Camp rental income	64,705	75,297
Management fees	288,576	-
Other income	287,147	81,183
Advertising expense	(224)	(93)
Foreign exchange loss (gain)	(2,417)	51
	\$ 637,787	\$ 206,438

Note 25 – Supplemental Statement of Income (Loss) and Comprehensive Income (Loss) Disclosures - continued

The following table shows the total employee benefit expenses for the period:

	Years ended December 31,	
	2022	2021
Employee benefit expenses	\$ 3,808,411	\$ 2,011,286

Employee benefit expenses include wages, salaries, bonuses, and group benefit premiums, as well as Canada Pension Plan, Employment Insurance and Workers' Compensation Board contributions. Employee benefit expenses are included in both operating costs and general and administrative expenses in the consolidated statements of loss and comprehensive loss.

The Corporation is, from time to time, named as defendant in litigation claims against the Corporation in the normal course of business. As at December 31, 2022, the Corporation has accrued a provision of \$40,000 in relation to these claims based on the expected outcome. The range of possible outcomes in relation to the foregoing matters is \$0 to \$268,000

Note 26 – Segmented Reporting

Reportable segments are determined based on the corporate structure and operations in accordance with the Corporation's accounting policies. Specifically, an operating segment should have separate financial information available, with management review of financial information. The operating segment should engage in business activities where it earns revenue and incurs expenses. While a reporting segment should have revenue which is 10% or more of combined revenue; assets which are 10% or more of combined assets; and an absolute amount of reported profit or loss that is 10% or more of reported profit of all operating segments. Using this guidance, the Corporation has reported the TerraShift operations as a separate segment. As of August 24, 2022 the Corporation has begun to phase out the operations of TerraShift as part of the Corporation's staged plan to create a sustainable and resilient business model. This reorganization and simplification of operations also contributes to a reduction in personnel and overheads. TerraMaps and other assets will be maintained to continue to be of benefit to other AMI divisions.

Gross loss includes adjustments for general and administrative expenses, share based compensation, other operating expenses, finance costs, non-operating income, interest income, and income taxes in order to arrive at total loss and comprehensive loss, of which most of these expenses are incurred by the AMI Aggregates or Corporate segments. Gross loss is therefore a better basis for measuring the performance of the Corporation.

The "Corporate & Eliminations" segment represents services provided by RockChain and TerraShift to other segments and is disclosed for reconciliation purposes only. The numbered Alberta corporations that respectively own the Montney In-Basin Project and the Prosvita Sand Project are included in the AMI Silica segment.

The summary of key financial information by reportable segment for the year ended December 31, 2022 (along with comparative information for 2021) is as follows:

	AMI Aggregates		AMI RockChain		Silica		TerraShift		Corporate & Eliminations		Consolidated	
	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021	2022	2021
For the twelve months ended December 31,												
Revenue:												
Product sales revenue	\$ 4,417,032	\$ 283,736	\$ 2,212,061	\$ 2,752,006	\$ -	\$ -	\$ 360,404	\$ -	\$ (3,201,630)	\$ -	\$ 3,787,866	\$ 3,035,742
Services revenue	2,321,205	1,286,770	6,886,520	2,288,248	-	-	394,148	1,301,836	(593,464)	(420,182)	9,008,409	4,456,672
Gross revenue, including royalties	6,738,237	1,570,506	9,098,581	5,040,254	-	-	754,551	1,301,836	(3,795,094)	(420,182)	12,796,275	7,492,414
Revenue, net of royalties	6,463,492	1,232,868	9,098,581	5,040,254	(79,613)	-	754,551	1,301,836	(3,795,094)	(420,182)	12,441,916	7,154,776
Gross profit (loss)	\$ 147,032	\$ 366,089	\$ 684,976	\$ 51,053	\$ (271,203)	\$ (252,302)	\$ 748,572	\$ 757,083	\$ (388,130)	\$ (53,584)	\$ 921,247	\$ 868,339
As at												
Segment assets	\$ 71,366,312	\$ 9,961,398	\$ (717,354)	\$ 446,181	\$ (2,172,678)	\$ 13,589,565	\$ 425,440	\$ 282,420	\$ (31,851,072)	\$ (3,087,216)	\$ 37,050,648	\$ 21,192,348
Segment liabilities	\$ 5,763,664	\$ 4,551,286	\$ 1,703,823	\$ 421,641	\$ 1,844,906	\$ (201,098)	\$ 78,513	\$ 60,000	\$ (954,818)	\$ 428,125	\$ 8,436,087	\$ 5,259,954

Note 26 – Segmented Reporting - continued

Product sales revenue includes the sale of tangible items such as gravel and sand. Services revenue includes such items as the Coffey Lake pit management contract, transportation services provided in delivering gravel and sand to customers, the confidential pit management contract, fees for engineering services, and subscription revenues.

Note 27 – Subsequent Events

The Corporation has evaluated subsequent events to determine if events or transactions occurring through the date on which the financial statements were issued require adjustment or disclosure in the Corporation's financial statements.

a). On February 28, 2023, the Corporation obtained a secured bridge loan of \$2,000,000 (the "Loan") from JMAC Energy Services LLC ("JMAC"). The Corporation used the proceeds of the Loan to repay its existing term loan with Canadian Western Bank ("CWB Loan") (Note 15) and for general working capital purposes.

The Loan will bear interest at a rate of 12% per annum, provided that the interest rate will increase to 18% per annum if there is an event of default. The Loan will mature on June 30, 2023, but may be prepaid in full at any time following April 30, 2023. Additionally, the Loan will be secured by a first priority security interest over all of the assets of Athabasca and its Canadian subsidiaries following the discharge of the CWB Loan.

JMAC is a related party to Athabasca, as JMAC 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 Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* ("MI 61-101").

The Loan was obtained on reasonable commercial terms that are not less advantageous to Athabasca than if the Loan was obtained from a person dealing at arm's length with Athabasca and Athabasca's board of directors (other than Mr. McCreary) have approved the Loan. The Loan and interest are not convertible, or repayable, directly or indirectly, in equity or voting securities of Athabasca or any of its subsidiaries or otherwise participating in nature.

On June 30, 2023, the Corporation entered into an amended credit agreement ("First Amending Agreement") for the amendment of the Loan. The First Amending Agreement amends the 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 Loan will mature 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. No bonus securities will be issued in connection with the First Amending Agreement.

On September 21, 2023, the Corporation entered into an amended credit agreement ("Second Amending Agreement") for the amendment of the Loan. The Second Amending Agreement amends the Loan to mature on November 30, 2023, but may be prepaid in whole or in part at any time with not less than five days prior notice. No bonus securities will be issued in connection with the Second Amending Agreement.

b). On March 28, 2023, the Corporation announced that its Board of Directors (the "Board"), together with the support of management, has initiated a process to evaluate potential strategic alternatives to maximize shareholder value. As part of the process, the Board is considering a full range of strategic alternatives, which may include financing alternatives, merger, amalgamation, plan of arrangement, reorganization, other business combinations, sale of assets, or other transactions. There can be no assurance that the evaluation of strategic alternatives will result in any strategic alternative, or any assurance as to its outcome or timing.

On September 21, 2023, the Corporation announced that it has entered into a definitive arrangement agreement (the "Arrangement Agreement") with JMAC Energy Services LLC (the "Purchaser" or "JMAC") pursuant to which the Purchaser has agreed to acquire all of the issued and outstanding common shares of Athabasca ("Athabasca Shares"), other than Athabasca Shares already owned or controlled by the Purchaser, or persons or entities related to the Purchaser for cash consideration of \$0.145 per Athabasca Share (the "Purchase Price"). The proposed transaction (the "Transaction") is to be completed by way of a plan of arrangement under the *Business Corporations Act* (Alberta) (the "Plan of Arrangement"). Based on the closing price of the Athabasca Shares on the TSX Venture Exchange ("TSXV") on September 20, 2023, the last trading day prior to the announcement of the Transaction, the Purchase Price represents a 45% premium to the closing price of Athabasca Shares and a 45% premium over the volume-weighted average trading price of the Athabasca Shares on the TSXV for the last 20 trading days.

Note 27 – Subsequent Events - continued

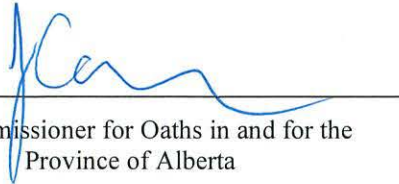
Under the Transaction, the Purchaser will acquire all of the issued and outstanding Athabasca Shares, other than Athabasca Shares already owned or controlled by the Purchaser, or persons or entities related to the Purchaser, in exchange for the payment to Athabasca shareholders of the Purchase Price for each Athabasca Share held. Athabasca will seek approval of the Transaction by its shareholders and holders of options (together, the "**Securityholders**") at a special meeting expected to be held by November 17, 2023 (the "**Meeting**").

c). On June 30, 2023, the Corporation executed and closed a definitive sale agreement (the "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 C\$3.2 million, before normal closing adjustments. The Sale Agreement had a closing date of June 27, 2023 and there is no finder's fee associated with the transaction.

The Disposition includes the sale of five (5) 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 Corporation's total asset holdings and would require ongoing capital expenditures to support their current growth profiles. The total cash consideration of \$3.2 million includes an initial payment of \$2.9 million upon closing with \$300,000 in holdbacks. \$200,000 will be held and then released upon the full assignment and transfer of the leases and an additional \$100,000 will be held pending the completion of outstanding regulatory obligations on one of the leases. In addition to the cash consideration, the Disposition is expected to have a positive effect on the Corporation's working capital as it is anticipated to remove significant environmental reclamation obligation liabilities as well as release over \$700,000 in cash deposits that are currently held for these resource properties.

d). The Corporation has also executed a settlement agreement and mutual release (the "**Agreement**") with an independent, arm's length supplier (the "**Supplier**"). The Agreement, valued at \$375,000, is the result of extensive negotiations between Athabasca and the Supplier and is aimed at resolving outstanding financial obligations. As part of the Agreement, Athabasca will transfer ownership of five non-core and non-cash generating resource properties, namely Cowper, Emerson, Hargwen, Pelican, and Poplar Creek North, to the Supplier. In addition to the asset transfer, the Corporation will make a one-time payment of \$60,000 to the Supplier.

This is Exhibit "G"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468



THREE and NINE MONTHS ENDED SEPTEMBER 30, **2023**

**UNAUDITED INTERIM CONDENSED CONSOLIDATED
FINANCIAL STATEMENTS**

Table of Contents Updated on Final	Page
Interim Condensed Consolidated Statements of Financial Position	3
Interim Condensed Consolidated Statements of Income (Loss) And Comprehensive Income (Loss)	4
Interim Condensed Consolidated Statement of Changes in Shareholders' Equity	5
Interim Condensed Consolidated Statements of Cash Flows	6
Interim Condensed Consolidated Financial Statements	7 - 30

NOTICE OF NO AUDITOR REVIEW OF THE INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS

The accompanying unaudited interim condensed consolidated financial statements of Athabasca Minerals Inc. (the "Corporation" or "AMI" or "Athabasca") have been prepared by and are the responsibility of the Corporation's management. The Corporation's independent auditor has not performed a review of these interim condensed consolidated financial statements in accordance with standards established by CPA Canada for a review of interim financial statements.

AMENDMENT

As a result of the amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021, the unaudited interim condensed consolidated financial statement comparative numbers for the three and nine months ended September 30, 2022 have been amended and restated from the original statements filed on November 23, 2022.

The restatement is a result of the Corporation identifying an error with respect to the accounting set up of its joint arrangement in AMI Silica LLC, entered into in 2021 (the "Joint Arrangement") subsequent to the issuance of the audited consolidated financial statements for the years ended December 31, 2022 and 2021. The audited consolidated financial statements as at and for the years ended December 31, 2022 and 2021 have been amended and restated as further discussed in Note 1 of the amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021 that were filed on SEDAR+ on November 14, 2023.

The Corporation initially accounted for the acquisition as a joint operation. Subsequently the Corporation has determined that the Joint Arrangement constitutes a joint venture. A joint operator shall account for the assets, liabilities, revenues, and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses whereas a joint venturer shall recognize its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. The restatement is not a result of any change to the Corporation's operations or the Corporation's business.

Interim Condensed Consolidated Statements of Financial Position (Unaudited)

		As at	
	Notes	September 30, 2023	December 31, 2022 Restated (Note 1)
ASSETS			
Current			
Cash		\$ 2,066,271	\$ 587,623
Trade and other receivables	7,23	180,562	1,389,738
Holdback receivable	6	400,000	-
Inventory	8	-	174,703
Prepaid expenses and deposits		278,837	93,686
Share purchase options		-	-
Joint venture loan receivable	4	677,200	677,200
Current Assets		3,602,871	2,922,950
Long-term deposits	9	788,876	788,876
Restricted cash	10	120,148	120,148
Contract costs	11	-	1,402,130
Property, plant and equipment	12	-	460,134
Right-of-use assets	15	254,284	321,126
Investment in Joint venture	4	20,507,629	23,462,149
Intangible assets	14	24,433	23,468
Resource properties	13	6,232,137	7,549,667
Total Assets		\$ 31,530,378	\$ 37,050,648
LIABILITIES AND SHAREHOLDERS' EQUITY			
Current			
Accounts payable and accrued liabilities	23	\$ 2,071,787	\$ 2,598,359
Income taxes payable - Canada		-	93,365
Income taxes payable - USA		177,217	496,685
Current portion of JMAC loan, bank and other loans	16	2,300,000	493,736
Current portion of shareholders' loans	17	\$ 2,400,000	-
Current portion of lease obligations	18	\$ 32,077	8,328
Current portion of environmental rehabilitation obligations	19	-	-
Current Liabilities		6,981,082	3,690,473
Bank and other loans	16	-	-
Lease obligations	18	\$ 303,492	295,125
Deposit liabilities		-	49,376
Shareholders' loans	17	-	1,900,000
Environmental rehabilitation obligations	19	\$ 697,350	2,501,114
Total Liabilities		7,981,924	8,436,088
Shareholders' Equity			
Share capital	20	23,509,890	23,509,890
Contributed surplus		5,561,624	5,493,352
Retained earnings (deficit)		(6,373,245)	(1,238,866)
Accumulated other comprehensive income		850,184	850,184
Total Shareholders' Equity		23,548,453	28,614,560
Total Liabilities and Shareholders' Equity		\$ 31,530,378	\$ 37,050,648

Note 1 Nature of Business and Going Concern and Notice of Intention and Restatement of Financial Results and Note 27 Subsequent Event

The accompanying notes are an integral part of these interim condensed consolidated financial statements

Approved by the Board of Directors

"Dale Nolan"

Director

Interim Condensed Consolidated Statements of Income (Loss) and Comprehensive Income (Loss) (Unaudited)

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022 Restated (Note 1)	2023	2022 Restated (Note 1)
Product sales revenue	\$ 17,816	\$ 361,900	\$ 56,472	\$ 3,661,952
Services revenue	330,949	4,297,412	2,364,719	6,925,448
Gross revenue, including royalties	348,766	4,659,312	2,421,192	10,587,400
Less: provincial royalties	-	\$(33,600)	\$(388,487)	(215,990)
Revenue, net of royalties	348,766	4,625,712	2,032,705	10,371,410
Operating costs	(14,998)	(4,368,609)	(1,428,469)	(8,978,507)
Depreciation, depletion, and amortization expense	(34,712)	(57,545)	(93,997)	(156,197)
Cost of sales	(49,709)	(4,426,154)	(1,522,465)	(9,134,704)
Gross profit (loss)	299,056	199,558	510,239	1,236,706
General and administrative expenses	(1,276,574)	(1,183,230)	(3,443,723)	(3,157,589)
Severance expense	-	(34,361)	-	(673,346)
Share-based compensation	(12,919)	(84,438)	(37,453)	(155,882)
Write-down of inventory, contract costs and resource properties	-	-	-	(3,322,735)
Other operating expenses	(5,667)	(3,819)	(35,468)	(38,640)
Operating income (loss)	(996,104)	(1,106,290)	(3,006,405)	(6,111,486)
Finance costs	(169,632)	(64,176)	(440,551)	(129,201)
Share of profit (loss) on joint venture	(1,463,764)	496,921	(2,954,510)	23,005,184
Gain on disposition of non-core assets and other income	(26,060)	14,922	1,181,090	90,748
Interest income	5,462	1,327	5,762	2,849
Income (loss) before income taxes	(2,650,098)	(657,296)	(5,214,614)	16,858,094
Current tax recovery	-	-	80,235	-
Deferred tax recovery	-	-	-	-
Net income (loss)	(2,650,098)	(657,296)	(5,134,379)	16,858,094
Other comprehensive income (loss)				
Foreign exchange differences from translating foreign operations	751,760	-	-	-
Total comprehensive income (loss)	\$ (1,898,338)	\$ (657,296)	\$ (5,134,379)	\$ 16,858,094
Note 1 Nature of Business and Going Concern and Notice of Intention and Restatement of Financial Results and Note 27 Subsequent Event				
Net income (loss) per common share - basic	\$ (0.034)	\$ (0.008)	\$ (0.065)	0.217
Net income (loss) per common share - diluted	\$ (0.034)	\$ (0.008)	\$ (0.065)	0.214
Weighted average number of shares outstanding	78,582,686	78,399,492	78,582,686	77,743,781

The accompanying notes are an integral part of these interim condensed consolidated financial statements

Interim Condensed Consolidated Statements of Changes in Shareholders' Equity (Unaudited)

	Notes	Number of Shares	Share Capital	Contributed Surplus	Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Deficit)	Total Shareholders' Equity
Balance as at December 31, 2021, Restated (Note 1)		76,964,088	\$ 22,971,793	\$ 5,324,170	\$ 2,484	\$ (13,128,128)	\$ 15,170,319
Shares issued	20	100,000	\$ 32,990	\$ -	\$ -	\$ -	\$ 32,990
Share-based compensation	20	-	-	190,171	-	-	190,171
Stock options exercised	20	1,335,404	391,125	(46,923)	-	-	344,202
Total income and comprehensive income for the period		-	-	-	-	16,858,094	16,858,094
Balance as at September 30, 2022, Restated (Note 1)		78,399,492	\$ 23,395,908	\$ 5,467,418	\$ 2,484	\$ 3,729,966	\$ 32,595,776
Balance as at December 31, 2022, Restated (Note 1)		78,582,686	\$ 23,509,890	\$ 5,493,352	\$ 850,184	\$ (1,238,866)	\$ 28,614,560
Share-based compensation - options	20	-	-	\$ 68,272	-	-	\$ 68,272
Total loss and comprehensive loss for the period		-	-	-	-	(5,134,379)	(5,134,379)
Balance as at September 30, 2023		78,582,686	\$ 23,509,890	\$ 5,561,624	\$ 850,184	\$ (6,373,245)	\$ 23,548,453

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Interim Condensed Consolidated Statements of Cash Flows (Unaudited)

	Notes	Three months ended September 30,		Nine months ended	
		2023	2022	2023	2022
			Restated (Note 1)		Restated (Note 1)
OPERATING ACTIVITIES					
Net income (loss)		\$ (2,650,098)	\$ (657,296)	\$ (5,134,379)	\$ 16,858,094
Adjustments for non-cash items					
Depreciation, depletion, and amortization expense		34,712	57,545	93,997	156,197
Amortization of resource property lease costs		-	778	-	4,988
Amortization of environmental rehabilitation obligations asset		-	2,318	-	14,377
Amortization of contract costs		-	18,120	-	18,120
Change in estimate for environmental rehabilitation obligations	19	-	-	-	-
Change in discount rate for environmental rehabilitation obligations	19	-	(22,358)	-	(58,051)
Accretion of environmental rehabilitation obligations	19	-	42,074	11,334	59,206
Writedown of inventory, contract and resource properties	8,11,13	-	-	-	3,322,735
Gain on disposal of non-core assets	6,25	26,060	-	(1,181,090)	-
Share of profit (loss) on joint venture	4	1,463,764	(496,923)	2,954,510	(22,644,232)
Change in deferred tax liability		-	84,438	-	-
Share-based compensation	20	21,100	-	68,272	155,882
Changes in non-cash working capital balances					
Trade and other receivables		229,725	(1,164,616)	846,138	(3,101,638)
Prepaid expenses and deposits		(64,216)	162,456	(185,151)	90,465
Inventory	8	-	1,000,000	-	2,570,077
Accounts payable and accrued liabilities		(72,753)	(881,643)	(528,094)	(1,649,337)
Income taxes payable (recoverable)		91,624	43,742	(321,154)	61,206
Net cash used in operating activities		(920,082)	(1,811,365)	(3,375,616)	(4,141,911)
INVESTING ACTIVITIES					
Restricted cash		-	(148)	-	(148)
Proceeds on sale of non-core assets (net of holdback)	6	-	-	2,800,000	-
Purchase of property and equipment	12	-	-	-	-
Spending on resource properties	13	-	(58,366)	-	(58,366)
Net cash used in investing activities		-	(58,514)	2,800,000	(58,514)
FINANCING ACTIVITIES					
Proceeds from issuance of common shares, private placement		-	-	-	32,990
Proceeds from JMAC loan	16	-	-	2,000,000	-
Increase in bank loans		-	1,811,810	-	1,811,810
Proceeds from shareholders' loans	17	-	-	500,000	1,900,000
Repayment of bank loans	16	-	-	(193,736)	(1,489,840)
Interest payment on shareholders' loan	17	(84,000)	-	(252,000)	(276,998)
Repayment of lease obligations	18	-	(23,900)	-	(50,853)
Net proceeds from exercise of stock options	20	-	141,765	-	344,202
Net cash from (used in) financing activities		(84,000)	1,929,675	2,054,264	2,271,311
Net change in cash		(1,004,082)	59,797	1,478,648	(1,929,114)
Cash, beginning of period		3,070,354	528,522	587,623	2,517,433
Cash, end of period		\$ 2,066,271	\$ 588,319	\$ 2,066,271	\$ 588,319

The accompanying notes are an integral part of these interim condensed consolidated financial statements.

Note 1 - Nature of Business and Going Concern and Notice of Intention and Restatement of Financial Results

a) General

Athabasca Minerals Inc. (the “Corporation”) is a public corporation incorporated under the Business Corporations Act (Alberta) in 2006, and its shares are listed on the TSX Venture Exchange under the symbol AMI-V. The Corporation’s head office is located at 4409 94 Street NW, Edmonton, Alberta, Canada T6E 6T7.

The Corporation is an integrated group of companies capable of full life-cycle development and supply of aggregates and industrial sand. The Corporation is comprised of the following business units:

- **AMI Silica** division has resource holdings and business interests in Alberta, North-East BC, and the United States with its 50% joint venture interest in AMI Silica LLC.
- **AMI Aggregates** division produces and sells aggregates from its corporate pits.
- **AMI RockChain** division 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.
- **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 Corporation ceased its limited partner position in the partnership but continues to provide services to the partnership under an operating agreement.
- **TerraShift Engineering** conducts resource exploration, regulatory, mining, environmental and reclamation engineering for a growing nation-wide customer base and is also the developer of the proprietary TerraMaps™ software. As of August 24, 2022, the Corporation began to phase out the operations of TerraShift as part of the Corporation'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.

The unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2023 were approved and authorized for issue by the Corporation’s Board of Directors on November 28, 2023.

b) Going Concern

The basis of presentation below notes the Corporation’s interim condensed consolidated financial statements have been prepared on a going concern basis that contemplates the realization of assets and discharge of liabilities at their carrying values in the normal course of business for the foreseeable future. The Corporation’s ability to continue as a going concern is dependent upon, but not limited to, its ability to raise the financing necessary to discharge its liabilities as they become due and generate positive cash flows from operations. During the nine months ended September 30, 2023, the Corporation had a net loss of \$5,134,379 (year ended December 31, 2022 – net income of \$11,889,261 including a \$24,057,043 gain on the Hixton acquisition) and negative cash flow from operations of \$3,375,616 (year ended December 31, 2022-negative cash flow from operations of \$2,209,817). These aforementioned conditions have resulted in material uncertainties that may cast significant doubt about the Corporation’s ability to continue as a going concern. The ability of the Corporation 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. However, there can be no assurance that the steps management is taking will be successful. The accompanying interim condensed consolidated financial statements do not reflect any adjustments in the carrying values of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used, that would be necessary if the Corporation were unable to realize its assets and settle its liabilities as a going concern in the normal course of operations. These adjustments could have a material impact on the condensed consolidated financial statements.

c) Notice of Intention

On March 28, 2023, the Corporation announced that its Board of Directors (the “Board”), together with the support of management, initiated a process to evaluate potential strategic alternatives to maximize shareholder value. As part of the process, the Board considered a full range of strategic alternatives, which included financing alternatives, merger, amalgamation, plan of arrangement, reorganization, other business combinations, sale of assets, or other transactions. Accordingly, the Board established a special committee of independent members of the Board (the “Special Committee”) to explore opportunities to enhance shareholder value (the “Process”).

Note 1 - Nature of Business and Going Concern and Notice of Intention and Restatement of Financial Results - continued

On September 21, 2023, the Corporation announced that it had entered into a definitive arrangement agreement (the “Arrangement Agreement”) with JMAC Energy Services LLC (the “Purchaser” or “JMAC”) pursuant to which the Purchaser had agreed to acquire all of the issued and outstanding common shares of Athabasca (“Athabasca Shares”), other than Athabasca Shares already owned or controlled by the Purchaser, or persons or entities related to the Purchaser for cash consideration of \$0.145 per Athabasca Share (the “Purchase Price”). The proposed transaction (the “Transaction”) was to be completed by way of a plan of arrangement under the *Business Corporations Act* (Alberta) (the “Plan of Arrangement”). Based on the closing price of the Athabasca Shares on the TSX Venture Exchange (“TSXV”) on September 20, 2023, the last trading day prior to the announcement of the Transaction, the Purchase Price represented a 45% premium to the closing price of Athabasca Shares and a 45% premium over the volume-weighted average trading price of the Athabasca Shares on the TSXV for the last 20 trading days. Under the Transaction, the Purchaser would have acquired all of the issued and outstanding Athabasca Shares, other than Athabasca Shares already owned or controlled by the Purchaser, or persons or entities related to the Purchaser, in exchange for the payment to Athabasca shareholders of the Purchase Price for each Athabasca Share held. Athabasca was seeking approval of the Transaction by its shareholders and holders of options (together, the “Securityholders”) at a special meeting expected to be held on November 3, 2023.

On October 30, 2023 the Corporation announced that, based on discussions with its auditors, the Corporation was required to amend and restate its audited consolidated financial statements for the years ended December 31, 2021 and December 31, 2022 (“Annual Financial Statements”) and the associated Management’s Discussion & Analysis, as well as the interim condensed consolidated financial statements and the associated Management’s Discussion & Analysis for the three and six month periods ended June 30, 2023 (together with the Annual Financial Statements, collectively, the “Consolidated Financial Statements”) See also Note 1 (c). As a result of Athabasca restating its Consolidated Financial Statements, and to ensure that all shareholders and optionholders of Athabasca (collectively, “Athabasca Securityholders”) have an opportunity to review the Consolidated Financial Statements, the Corporation postponed (the “Postponement”) the special meeting of Athabasca Securityholders originally scheduled to be held on November 3, 2023 (the “Meeting”).

On November 10, 2023, the sole manager of JMAC provided the Corporation with a notice terminating the Arrangement Agreement (the “NoT”), as a result of the conditions set out in Section 6.2(b) and Section 6.2(c) of the Arrangement Agreement being incapable of being satisfied by the Outside Date (as defined in the Arrangement Agreement) in connection with, and as evidenced by, the Amendment and Restatement of the Financial Statements as set out above. Concurrently with the NoT, Jon McCreary submitted his resignation as director to the Corporation, and the Board of Directors of the Corporation, being Don Paulencu and Dale Nolan, accepted his resignation. Accordingly, the Corporation would no longer proceed with the special meeting of the securityholders and its application for a final order of the Court of King’s Bench of Alberta. The Corporation would continue to explore and evaluate a full range of potential strategic alternatives in order for the Corporation to continue as a going concern which includes the repayment of the Corporation’s C\$2.0 million Non-Revolver Term Loan Agreement between JMAC and Athabasca which matures on November 30, 2023 and other debt obligations.

On November 14, 2023 the Corporation filed a Notice of Intention to its creditors under the Bankruptcy and Insolvency Act (Canada) (the “BIA”). Pursuant to the Notice of Intention, KSV Restructuring Inc. was appointed by the Corporation as the trustee in the Corporation’s proposal proceedings and will assist the Corporation in its restructuring efforts. The decision to file the Notice of Intention was made by the Board after extensive discussions following receipt of the NoT in order to ensure that Athabasca can continue as a going concern. While under BIA protection, the Corporation will continue with its efforts to pursue strategic alternatives, including restructuring its existing debt obligations.

A Notice of Intention is the first stage of a restructuring process under the BIA, which permits the Corporation to pursue a restructuring of its financial affairs, through a formal proposal process. The filing of the Notice of Intention has the effect of imposing an automatic stay of proceedings (“Stay”) that will protect the Corporation and its assets from the claims of creditors while the Corporation pursues this objective. The initial Stay period of 30 days can be extended by court order, during which time the Corporation will assess its ability to present a viable proposal to its creditors. There can be no assurance that the current process will result in a transaction or, if a transaction is undertaken, that it will be successfully concluded in a timely manner or at all.

Due to the above-mentioned filing, the Corporation was informed by the TSX Venture Exchange (the “TSX-V”) that trading of Athabasca common shares (the “Athabasca Shares”) would be suspended until such a time as the Corporation is in compliance with the TSX-V continued listing requirements (the “Continued Listing Requirements”). There is no certainty as to timing or likelihood that the Athabasca Shares will recommence trading on the TSX-V, and the Athabasca Shares could be transferred to the NEX Board, a subsidiary board of the TSX-V, if the Continued Listing Requirements are not met.

Note 1 - Nature of Business and Going Concern and Notice of Intention and Restatement of Financial Results - continued

The accompanying interim condensed consolidated financial statements do not reflect any adjustments in the carrying values of the assets and liabilities, the reported revenues and expenses, and the balance sheet classifications used, that would be necessary if the Corporation were unable to realize its assets and settle its liabilities as a result of the outcome of the Stay process. These adjustments could have a material impact on the interim condensed consolidated financial statements.

d) Restatement of Financial Results

The Corporation has determined that the investment in the AMI Silica LLC joint arrangement, entered into in 2021, was incorrectly accounted for as a joint operation rather than a joint venture in the 2021 and 2022 audited consolidated financial statements. A joint operator shall account for the assets, liabilities, revenues and expenses relating to its interest in a joint operation in accordance with the IFRSs applicable to the particular assets, liabilities, revenues and expenses whereas a joint venturer shall recognise its interest in a joint venture as an investment and shall account for that investment using the equity method in accordance with IAS 28 Investments in Associates and Joint Ventures. The associated audited consolidated financial statements as at and for the years ended December 31, 2022 and 2021 originally filed on SEDAR+ on May 19, 2023, have been amended and restated as further discussed in Note 1 of the amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021. The restatement is not a result of any change to the Corporation's operations or the Corporation's business.

As a result of the amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021, the following unaudited interim condensed consolidated financial statement line items for the three and nine months ended September 30, 2022 have been adjusted as follows:

	Original		Adjustment		Three months ended						
					2022	Original	Adjustment	2022			
Product sales revenue	\$	7,224,168	(6,862,268)	\$	361,900	\$	19,097,437	\$	(15,435,485)	\$	3,661,952
Services revenue		4,297,412	-		4,297,412		6,925,448		-		6,925,448
Gross revenue, including royalties		11,521,580	(6,862,268)		4,659,312		26,022,885		(15,435,485)		10,587,400
Less: provincial royalties		(33,600)	-		(33,600)		(215,990)		-		(215,990)
Revenue, net of royalties		11,487,980	(6,862,269)		4,625,711		25,806,895		(15,435,486)		10,371,409
Operating costs		(11,185,742)	6,817,133		(4,368,609)		(23,655,949)		14,677,442		(8,978,507)
Depreciation, depletion, and amortization expense		(1,102,377)	1,044,832		(57,545)		(2,169,558)		2,013,361		(156,197)
Cost of sales		(12,288,119)	7,861,964		(4,426,155)		(25,825,507)		16,690,802		(9,134,705)
Gross profit (loss)		(800,139)	999,696		199,557		(18,612)		1,255,317		1,236,705
General and administrative expenses		(1,183,230)	-		(1,183,230)		(3,157,589)		-		(3,157,589)
Severance expense		(34,361)	-		(34,361)		(673,346)		-		(673,346)
Share-based compensation		(84,438)	-		(84,438)		(155,882)		-		(155,882)
Write-down of contract costs and resource properties		-	-		-		(3,322,735)		-		(3,322,735)
Other operating expenses		(3,819)	-		(3,819)		(38,640)		-		(38,640)
Operating loss		(2,105,987)	999,695		(1,106,292)		(7,366,804)		1,255,316		(6,111,488)
Finance costs		(64,176)	0		(64,176)		(129,201)		-		(129,201)
Share of profit (loss from joint venture)		-	496,923		496,923		22,644,232		360,952		23,005,184
Other non-operating income		14,922	(0)		14,922		90,748		-		90,748
Interest income		1,327	0		1,327		2,849		-		2,849
Income (loss) before income taxes		(2,153,914)	1,496,619		(657,295)		15,241,824		1,616,269		16,858,093
Deferred tax expense		-	-		-		-		-		-
Net income (loss)		(2,153,914)	1,496,619		(657,295)		15,241,824		1,616,271		16,858,093
Other comprehensive income		1,496,619	(1,496,619)		-		1,616,271		(1,616,271)		-
Total comprehensive income (loss)		(657,295)	(0)		(657,295)		16,858,093		-		16,858,093

Note 1 - Nature of Business and Going Concern and Notice of Intention and Restatement of Financial Results - continued

Interim Consolidated Statements of Cash Flows (Unaudited)						
	Original	Adjustment	Three months 2022	Original	Adjustment	Nine months ended 2022
OPERATING ACTIVITIES						
Net income (loss)	\$ (2,153,915)	1,496,620	\$ (657,295)	\$ 15,241,823	\$ 1,616,270	\$ 16,858,093
Adjustments for non-cash items						
Depreciation, depletion, and amortization expense	1,102,377	(1,044,832)	57,545	2,169,558	(2,013,361)	156,197
Amortization of resource property lease costs	778	-	778	4,988	-	4,988
Amortization of environmental rehabilitation obligations asset	2,318	-	2,318	14,377	-	14,377
Amortization of contract costs	18,120	-	18,120	18,120	-	18,120
Change in estimate for environmental rehabilitation obligations	-	-	-	-	-	-
Change in discount rate for environmental rehabilitation obligations	(22,358)	-	(22,358)	(58,051)	-	(58,051)
Accretion of environmental rehabilitation obligations	42,074	-	42,074	59,206	-	59,206
Writedown of contract and resource properties	-	-	-	3,322,735	-	3,322,735
Share of profit on Joint venture	-	(496,923)	(496,923)	(22,644,232)	-	(22,644,232)
Share-based compensation	84,438	-	84,438	155,882	-	155,882
Shares issued in payment of royalties	-	-	-	-	-	-
Share of loss from associates	-	-	-	-	-	-
Changes in non-cash working capital balances						
Trade and other receivables	(2,873,046)	1,708,429	(1,164,617)	(5,221,725)	1,504,082	(3,717,643)
Amounts due from related entities	-	-	-	-	-	-
Prepaid expenses and deposits	51,925	110,531	162,456	(170,860)	261,325	90,465
Inventory	(80,610)	1,080,610	1,000,000	(2,580,133)	5,150,210	2,570,077
Accounts payable and accrued liabilities	3,372,100	(4,253,743)	(881,643)	6,893,630	(7,926,962)	(1,033,332)
Income taxes payable (recoverable)	43,742	-	43,742	61,206	-	61,206
Net cash used in operating activities	(412,057)	(1,399,308)	(1,811,365)	(2,733,476)	(1,408,436)	(4,141,911)
INVESTING ACTIVITIES						
Restricted cash	(148)	-	(148)	(148)	-	(148)
Purchase of property and equipment	(348,394)	348,394	-	(1,033,744)	1,033,744	-
Spending on resource properties	(58,366)	-	(58,366)	(58,366)	-	(58,366)
Cash acquired in acquisition of associates	-	-	-	-	-	-
Cash consideration paid for interest in associates	-	-	-	-	-	-
Net cash used in investing activities	(406,908)	348,394	(58,514)	(1,092,258)	1,033,744	(58,514)
FINANCING ACTIVITIES						
Proceeds from issuance of common share units	-	-	-	32,990	-	32,990
Common share issuance costs	-	-	-	-	-	-
Increase in bank loans	1,811,810	-	1,811,810	1,811,810	-	1,811,810
Increase in shareholders' loans	-	-	-	1,900,000	-	1,900,000
Repayment of bank loans	(141,190)	141,190	-	(418,188)	(1,071,652)	(1,489,840)
Interest payment on Shareholders Loan	-	-	-	-	(276,998)	(276,998)
Acquisition of new lease obligations	-	-	-	-	-	-
Repayment of lease obligations	(23,900)	-	(23,900)	(50,853)	-	(50,853)
Net proceeds from exercise of stock options	141,765	-	141,765	344,202	-	344,202
Net cash from (used in) financing activities	1,788,485	141,190	1,929,675	3,619,961	(1,348,650)	2,271,311
Impact of foreign currency translation	558,566	(558,566)	-	(255,053)	255,053	-
Net change in cash	969,520	(1,468,290)	59,797	(205,773)	(1,723,342)	(1,929,114)
Cash, beginning of period	528,522	-	528,522	2,517,433	-	2,517,433
Cash, end of period	2,056,608	-	\$ 588,319	\$ 2,056,607	-	\$ 588,319

Amended and Restated Consolidated Statements of Changes in Shareholders' Equity

	As at September 30, 2022		
	As Restated	As previously reported	Adjustment
Shareholders Equity			
Share capital	23,395,908	23,395,908	\$ -
Contributed Surplus	5,467,418	5,467,418	-
Retained Earnings (Deficit)	3,729,966	3,713,408	16,558
Accumulated Other Comprehensive Income	2,484	-	2,484
Total Shareholders Equity	32,595,776	32,576,734	19,042

Note 2 - Basis of Presentation

a) Statement of Compliance

The unaudited interim condensed consolidated financial statements for the three and nine months ended September 30, 2023, including the amended and restated comparatives, were prepared in accordance with IAS 34 International Accounting Standard – “Interim Financial Reporting” (IAS 34) as issued by the International Accounting Standards Board (“IASB”). Accordingly, certain disclosures included in the annual audited consolidated financial statements prepared in accordance with International Financial Reporting Standards (“IFRS”) and Interpretations of the International Financial Reporting Interpretations Committee (“IFRIC”) have been condensed or omitted.

The significant judgments made by management in applying the Corporation’s accounting policies and the key sources of estimation uncertainty were consistent with those applied to the Corporation’s amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021 and should be read in conjunction with those amended and restated audited consolidated financial statements. Actual results may differ from estimated results due to differences between estimated or anticipated events and actual events and results.

b) Basis of Presentation

These unaudited interim condensed consolidated financial statements have been prepared on a historical cost basis, except as detailed in the Corporation’s accounting policy set out in Note 3 in the Corporation’s amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021.

These unaudited interim condensed consolidated financial statements have been prepared in accordance with International Accounting Standard 34 “Interim Financial Reporting”. They do not contain all the necessary annual disclosures and as a result, they should be read in conjunction with the Corporation’s amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021.

These unaudited interim condensed consolidated financial statements include the accounts of the Corporation and its wholly owned subsidiaries, AMI Aggregates Inc., AMI RockChain Inc. (“AMI RockChain”), which was incorporated on March 19, 2018 and AMI Silica Inc. (“AMI Silica”), which was incorporated on May 30, 2018 (collectively the “subsidiaries”). Additionally, on June 30, 2020, AMI RockChain acquired 100% of the shares in TerraShift Engineering Ltd (“TerraShift”). On February 5, 2021, the Corporation acquired control of the numbered Alberta corporations that respectively own the Montney In-Basin Project and the Duvernay Project by securing 100% ownership of each company.

The condensed consolidated financial statements also include its joint venture investment in its 50/50 joint arrangement AMI Silica LLC (“Silica LLC”). The Corporation, together with JMAC Energy Services LLC jointly control Silica LLC on a 50/50 basis. AMI Silica LLC was formed under the laws of North Dakota effective June 2, 2021.

The assets, liabilities, equity, income, expenses, and cash flows of the Corporation and its wholly owned subsidiaries to the date of these unaudited interim condensed consolidated financial statements have been combined and any intercompany investments and transactions have been eliminated upon consolidation. Uniform accounting policies are used by all entities. All transactions in the subsidiaries are reflected in these unaudited interim condensed consolidated financial statements.

c) Functional and Presentation Currency

These unaudited interim condensed consolidated financial statements are presented in Canadian dollars which is the functional currency of the Canadian parent and its subsidiaries. The functional currency of AMI Silica LLC is the US dollar which then is translated to the presentation currency.

The investment in the joint venture is translated into the presentation currency at the closing rate. The investment income has been translated into the presentation currency at the average rate over the reporting period. Exchange differences are charged or credited to other comprehensive income and recognized in the currency translation reserve in equity.

Note 3 - Significant Accounting Policies

The accounting policies applied in these unaudited interim condensed consolidated financial statements as at September 30, 2023 and for the three and nine months ended September 30, 2023 and 2022 are the same as those applied in the Corporation’s amended and restated audited consolidated financial statements for the years ended December 31, 2022 and 2021.

Note 4 – Investment in Joint Venture

The Corporation and JMAC Energy Services LLC jointly control AMI Silica LLC on a 50/50 basis. AMI Silica LLC was formed under the laws of North Dakota effective June 2, 2021. The investment in AMI Silica LLC is accounted for using the equity method in accordance with IAS 28.

Summarized financial information for AMI Silica LLC is set out below:

100% share of AMI Silica LLC (CAD)			
	September 30, 2023	December 31, 2022, Restated (Note 1)	
Current assets (a)	\$ 15,015,542	\$ 16,621,022	
Non-current assets	95,697,331	95,314,190	
Total assets	110,712,873	111,935,212	
Current liabilities (b)	27,107,897	19,422,808	
Non-current liabilities (c)	44,023,354	45,588,106	
Total liabilities	71,131,251	65,010,914	
Net assets	39,581,622	46,924,298	
(a) Includes cash and cash equivalents	226,058	377,742	
(b) Includes financial liabilities (excluding trade and other payables and provisions)	5,757,668	3,037,666	
(c) Includes financial liabilities (excluding trade and other payables and provisions)	19,308,979	23,020,883	
Revenue	75,086,852	\$ 43,566,914	
Gain on Wisconsin Assets	-	48,114,806	
Total Net (loss) income and Other Comprehensive income for the year	(5,909,020)	44,717,934	
Depreciation and Amortization	9,196,822	6,435,390	
Tax Recovery	(774,077)	2,009,130	
A reconciliation of the above summarized financial information to the carrying amount of investment in Silica LLC is set out below:			
Total net assets	39,581,622	46,924,298	
Proportion of ownership interests held by group	50.00%	50.00%	
Ending balance, Investment in Joint Venture	19,790,811	23,462,149	
Investment in Joint Venture			
Opening balance, December 31, 2022	23,462,139	255,472	
Equity pick up	(2,954,510)	22,358,967	
Foreign exchange impact	-	847,700	
Ending balance, investment in Joint Venture	20,507,629	23,462,139	

Additional information about the joint venture receivable is included:

AMI Silica LLC Receivable 100% CAD

Original amounts invested in 2022	\$ 1,498,004
Repayments in 2022	(820,804)
Ending amount of Joint Venture Receivable, December 31, 2022	677,200
Ending amount of Joint Venture Receivable, September 30, 2023	677,200

The amounts invested and repayable from the joint venture is determined by the Management Committee of AMI Silica LLC. The joint venture receivable amount is unsecured non-interest bearing.

Note 4 – Investment in Joint Venture - continued

Bonding Facility for Wisconsin Sand

As part of the acquisition of the operational U.S. sand mine and facilities in Hixton, Wisconsin (Note 5), AMI Silica LLC arranged a bonding facility through Trisura Guarantee Insurance Company (“Trisura”) for various bonds required to close the transaction. The bonds are subject to an annual rate of 2.5% and are secured by a first security charge over all of the land, plant and equipment of the sand mine and facilities (with the exception of the secured assets under the US \$2.7 million loan in AMI Silica LLC). Bonds issued and outstanding under the facility total US\$13,742,579 and are for reclamation, road use, railcar subleases and general performance.

Equipment Financing

In April 2022, AMI Silica LLC purchased a piece of heavy equipment and entered into an equipment financing agreement for US\$508,343 with a US equipment company. Under the terms of this financing, the facility is secured by the purchased equipment owned by AMI Silica LLC and is not subject to any covenants. The implicit interest rate is 8.25% and the term of agreement is 48 months with monthly payments of principal and interest in the amount of US\$12,470 with the final payment on May 7, 2026 (“maturity date”). All amounts outstanding, including all accrued and unpaid interest and other amounts payable, shall be due and payable on the maturity date.

AMI Silica LLC Financing

On September 15, 2022, AMI Silica LLC entered into a debt financing facility for US\$2,700,000 with a US lender. Under the terms of this financing, the facility is secured by eligible equipment owned by AMI Silica LLC and is not subject to any covenants. A payment of principal amount in the amount of US\$56,373 was paid at closing and thereafter 35 equal consecutive monthly installments, beginning on the 1st of October and continuing on the same day of each month with the final payment on August 1, 2025 (“maturity date”). All amounts outstanding, including all accrued and unpaid interest and other amounts payable, shall be due and payable on the maturity date. The loan interest rate is based on US prime rate as reported in the Wall Street Journal plus a Margin of 4.25%.

Note 5 – Business Combination

Effective February 1, 2022, the Corporation, through its 50/50 joint venture AMI Silica LLC acquired an operational U.S. sand mine and facilities in Hixton, Wisconsin, the results of which are included in the Corporation's investment in joint venture accounted for using the equity method. The Corporation closed the Definitive Agreement on March 3, 2022, in an arms-length transaction for a total price of \$1,000,000 USD. The Corporation was able to acquire these assets at a bargain purchase, as the seller had made a strategic decision to exit the industry. As the fair value of the assets acquired was significantly higher than the purchase price, a large gain was recognized on the acquisition.

In accordance with IFRS 3 Business Combinations (“IFRS 3”), this transaction meets the definition of a business combination and, accordingly, the assets acquired, and the liabilities assumed have been recorded at their respective estimated fair values as of the acquisition date, being February 1, 2022. The purchase price was allocated based on the Corporation's fair value estimates. The fair value of the railcar sublease asset and railcar sublease obligation was estimated using the Corporation's lease accounting policies including assumptions around applicable discount rates. The fair value of the land was determined using tax assessed values. The fair value of the remaining property, plant, and equipment was estimated with the assistance of external valuation specialists and is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date, as required by IFRS 13 Fair Value Measurement. This was determined to be the stand-alone/in exchange value based on market and orderly liquidation gathered for comparable assets, rather than the value imputed by other valuation methods due to the imprecision of expected cashflows in the absence of a National Instrument 43-101 reserve report. The range for stand-alone value ranged from \$52,011,000 to \$60,582,000 for all plant and equipment acquired and was estimated using a cost approach in relation to buildings whereas a sales comparison approach was utilized to value the transportation equipment, machinery and equipment. Management considered the upper limit of the range to be acceptable for measurement as it was consistent with other valuation methods. The fair value of the reclamation and other liabilities was calculated consistently with the Corporation's other asset retirement obligations and includes assumptions about inflation and discount rates over time to represent the estimated future cost of dismantling, restoring, and reclaiming the plant and mines. Deferred income taxes represent the temporary differences between future expenses for accounting purposes and income tax purposes at the Corporation's effective tax rate.

Note 5 – Business Combination - continued

The purchase price allocation was as follows:

	USD 100% Joint Venture	CAD (100%)	CAD 50% AMI ownership
Purchase price	\$ 2,200,563	\$ 2,793,395	\$ 1,396,698
Railcar sublease Asset	5,131,507	6,513,935	3,256,968
Land - Plant site	3,701,250	4,698,367	2,349,184
Land - Transload	345,600	438,705	219,353
Plant Phase 2	24,108,790	30,603,697	15,301,849
Plant Phase 1	20,598,152	26,147,293	13,073,646
Transload	5,513,208	6,998,466	3,499,233
Mobile assets	5,165,000	6,556,451	3,278,226
Property, plant and equipment	59,432,000	75,442,979	37,721,491
Reclamation and other liabilities	(6,630,405)	(8,416,636)	(4,208,318)
Railcar sublease obligation	(5,131,507)	(6,513,935)	(3,256,968)
Deferred taxes liability	(13,763,481)	(17,471,363)	(8,735,682)
Gain on acquisition of Wisconsin Assets	(36,837,551)	(46,761,587)	(23,380,794)
	\$ 2,200,563	\$ 2,793,393	\$ 1,396,697

The gain on acquisition of Wisconsin assets is included in investment in joint venture on the consolidated statement of income (loss) and comprehensive income (loss). The transaction costs of \$225,000 were expensed to general and administrative expenses within the joint venture.

Note 6 – Disposition of Non-Core Assets

On June 30, 2023, the Corporation closed a definitive sale agreement (the "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 C\$3.2 million, before normal closing adjustments. The Sale Agreement had an effective date of June 27, 2023 and there are no finder's fee associated with the transaction

The Disposition includes the sale of five (5) 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 aggregate pits. The Disposed Assets represent less than 5% of the Corporation's total asset holdings and would require ongoing capital expenditures to support their current growth profiles.

The total cash consideration of \$3.2 million includes an initial payment of \$2.8 million upon closing with \$400,000 in holdbacks. Cash consideration of \$300,000 will be held and then released upon the full assignment and transfer of the surface mineral leases and an additional \$100,000 will be held pending the completion of outstanding regulatory obligations on one of the leases. In November 2023, \$300,000 of the holdback was released to the Corporation.

Note 7 – Trade and Other Receivables

Trade and other receivables are non-interest bearing and are carried at amortized cost, and impaired using the simplified approach which provides for potential losses using a matrix based on historical observed default rates. These provisions are known as lifetime expected credit losses.

During the three and nine months ended September 30, 2023, the estimated credit loss amounted to \$nil (three and nine months ended September 30, 2022: \$nil).

Note 8 – Inventory

Aggregate Inventory with a production cost of \$126,140 and of \$339,846 was sold and is included in operating costs for the three and nine months ended September 30, 2023 respectively (three and nine months ended September 30, 2022: \$3,483,698 and \$6,173,183).

The inventory balance of \$nil (December 31, 2022: \$174,703) consists of \$nil of unprocessed gravel, \$nil of crushed gravel (December 31, 2022: \$120,292 of unprocessed gravel and \$54,411 of crushed gravel).

Note 9 – Long-term Deposits

	As at	
	September 30, 2023	December 31, 2022 Restated (Note 1)
Security deposits on gravel leases	\$ 629,188	\$ 629,188
Security deposits on miscellaneous leases	126,318	126,318
Security deposits on exploration leases	33,370	33,370
	\$ 788,876	\$ 788,876

As part of the disposition of non-core assets (note 6), security deposits totaling \$513,000 will be released as part of the normal closing process and as the surface mineral leases with the Government of Alberta are transferred to the purchaser.

Note 10 – Restricted Cash

	As at	
	September 30, 2023	December 31, 2022 Restated (Note 1)
Coffey Lake performance bond - right of way	100,000	100,000
Credit card facility	20,148	20,148
	\$ 120,148	\$ 120,148

The Corporation has secured a letter of credit to the benefit of Trisura Guarantee Insurance Company for a Coffey Lake right of way performance bond with the Government of Alberta (note 15) with a \$100,000 (December 31, 2022-\$100,000) guaranteed investment certificate. The Corporation has secured a corporate credit card facility (note 15) with a \$20,000 (December 31, 2022-\$20,000) guaranteed investment certificate.

As part of the disposition of non-core assets (note 6), the Coffey Lake performance bond will be released and the \$100,000 restricted deposit will be unrestricted cash.

Note 11 – Contract Costs

	Note	Duvernay Sand	
		Coffey Lake Public Pit	Project Off-take Agreement
Contract Assets at December 31, 2021, Restated (Note 1)		\$ 1,419,735	\$ 1,000,735
Amortization		(17,605)	-
Write-down		-	(1,000,735)
Contract Assets at December 31, 2022, Restated (Note 1)		\$ 1,402,130	\$ -
Disposition of non-core contract asset	6	(1,402,130)	
Contract Assets at September 30, 2023		\$ -	\$ -

Note 11 – Contract Costs - continued

The Coffey Lake contract was awarded to the Corporation on February 21, 2019 and the site began operations on March 21, 2020. It is a 15-year contract with the Government of Alberta to construct, operate and manage the Coffey Lake public pit north of Fort McMurray, Alberta. The Coffey Lake contract costs were spent to enable the Corporation to prepare the site for operations. These costs are expected to be recovered through the receipt of fixed volume-based pit management fees from customers, net of Government of Alberta royalties.

The Coffey Lake contract costs are amortized based on actual volume sales as a proportion of the estimated economically recoverable resource (units of production method). For the three and nine months ended September 30, 2023, the Corporation recorded amortization of \$nil on the Coffey Lake contract costs (three and nine months ended September 30, 2022: \$2,780 and \$8,339 respectively).

On June 30, 2023, the Corporation sold the Coffey Lake contract (note 6).

Prosvita Sand Project Off-take Agreement

The Corporation signed an off-take agreement with Shell Canada Energy for silica sand from the Prosvita Sand Project in the first quarter of 2020. This off-take agreement, which include certain take-or-pay provisions, carries a five-year term with two mutually acceptable and separate one-year extensions beginning on the later of mid-2021 or 30 days after the Duvernay facility has been commissioned. Due to lengthy regulatory approvals and increasing cost estimates for Prosvita production facilities, it is unlikely silica sand will be produced from the Duvernay site before mid-2026, meaning the Corporation will not be able to meet the terms of this contract. Therefore, the contract costs of \$1,000,735 were written off as at June 30, 2022.

Note 12 – Property, Plant and Equipment

	Notes	Equipment - Cdn Operations	Total
Cost:			
December 31, 2022, Restated (Note 1)		\$ 5,501,882	\$ 5,501,882
Additions		-	-
Disposition of non-core assets	6	(5,501,882)	(5,501,882)
September 30, 2023		\$ -	\$ -
Accumulated Depreciation:			
December 31, 2022, Restated (Note 1)		\$ 5,041,749	\$ 5,041,749
Additions		22,098	22,098
Disposition of non-core assets	6	(5,063,847)	(5,063,847)
September 30, 2023		\$ -	\$ -
Net book value:			
December 31, 2022, Restated (Note 1)		\$ 460,134	\$ 460,134
September 30, 2023		\$ -	\$ -

	Total
Year ended December 31, 2022 depreciation to statement of income and comprehensive income	\$ 13,777
Year ended December 31, 2022 depreciation to repayment of ERO	\$ -
Year ended September 30, 2023 depreciation to statement of loss and comprehensive loss	\$ 22,098
Year ended December 31, 2022 depreciation to repayment of ERO	\$ -

Note 13 – Resource Properties

	As at	
	September 30, 2023	December 31, 2022 Restated (Note 1)
Exploration costs	\$ 6,232,137	\$ 6,232,137
Pit development costs	120,321	120,321
Disposition of pit development costs related to disposition of non-core assets	(120,321)	-
Environmental rehabilitation obligation assets	1,040,110	1,040,110
Disposition of ERO related to disposition of non-core assets	(1,040,110)	-
Other costs (Note 6)	-	157,100
	\$ 6,232,137	\$ 7,549,667

Exploration and Pit Development Costs

The exploration and pit development costs were incurred across the Corporation's various operations and development projects which are primarily located in the Fort McMurray area of Northern Alberta.

The following table summarizes the Exploration costs:

	Richardson	Hargwen	Montney in-basin	Prosvita	All Other Projects	Total
Cumulative Exploration Costs at December 31, 2022	\$ -	\$ -	\$ 1,248,538	\$ 4,946,324	\$ 37,275	\$ 6,232,137
Cumulative Exploration Costs at September 30, 2023	\$ -	\$ -	\$ 1,248,538	\$ 4,946,324	\$ 34,788	\$ 6,232,137

The following table summarizes the Pit Development costs:

	Firebag	Kearl	Logan	House River	Pelican Hill	Emerson	Lynton	Total
Cumulative Pit Development Costs at December 31, 2022	\$ -	\$ -	\$ 120,321	\$ -	\$ -	\$ -	\$ -	\$ 120,321
Disposal of pit development costs related to disposal of non-core assets	-	-	(120,321)	-	-	-	-	(120,321)
Cumulative Pit Development Costs at September 30, 2023	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Environmental Rehabilitation Obligations (ERO) Asset

The following summarizes the ERO Asset:

	Notes	As at	
		September 30, 2023	December 31, 2022 Restated (Note 1)
Opening Balance, ERO asset		\$ 1,040,110	\$ 1,500,372
Impairment of ERO asset		\$ -	\$ (384,855)
Disposal of ERO asset through disposition of non-core assets	6	(1,040,110)	-
Change in estimate recognized in ERO asset		-	263,336
Amortization of ERO asset		-	(39,478)
Change in discount rate affecting ERO asset		-	(299,264)
Closing Balance, ERO Asset		\$ -	\$ 1,040,110

The ERO asset pertains to resource properties where the Corporation has the legal and constructive obligation to complete decommissioning, reclamation, and restoration costs on the property as discussed in Note 19.

Note 13 – Resource Properties - continued

Other Costs

On June 30, 2023, the Corporation sold the \$157,100 of miscellaneous lease costs and deposits on land (note 6).

Amortization of the lease costs in the three and nine months ended September 30, 2023 was \$nil and \$nil respectively (three and nine months ended September 30, 2022: \$2,780 and \$8,339 respectively). During the nine months ended September 30, 2022, lease costs of \$96,526 were written-off as management determined further development was unlikely.

Note 14 – Intangible Assets

	Customer Relationships	Software	Total
Cost:			
December 31, 2022, Restated (Note 1)	\$ 83,635	\$ 59,812	\$ 143,447
Additions	-	965	965
September 30, 2023	\$ 83,635	\$ 60,777	\$ 144,412
Accumulated Depreciation:			
December 31, 2022, Restated (Note 1)	\$ 83,635	\$ 36,344	\$ 119,979
September 30, 2023	\$ 83,635	\$ 36,344	\$ 119,979
Net book value:			
December 31, 2022, Restated (Note 1)	\$ -	\$ 23,468	\$ 23,468
September 30, 2023	\$ -	\$ 24,433	\$ 24,433

Note 15 – Right-of-use Assets

	Calgary office lease asset	Xerox Photocopier lease asset	Total
Cost:			
December 31, 2022, Restated (Note 1)	\$ 320,492	\$ 15,116	\$ 335,608
September 30, 2023	\$ 320,492	\$ 15,116	\$ 335,608
Accumulated Depreciation:			
December 31, 2022, Restated (Note 1)	\$ 4,265	\$ 10,217	\$ 14,482
Additions	66,842		66,842
September 30, 2023	\$ 71,107	\$ 10,217	\$ 81,324
Net book value:			
December 31, 2022, Restated (Note 1)	\$ 316,227	\$ 4,899	\$ 321,126
September 30, 2023	\$ 249,385	\$ 4,899	\$ 254,284

These right-of-use assets are being depreciated over the expected life of each asset in accordance with the Corporation's accounting policies under the accounting standard, IFRS 16, which was adopted on January 1, 2019.

Note 16 – JMAC Loan, Bank and Other Loans

JMAC Loan

On February 28, 2023, the Corporation obtained a secured bridge loan of \$2,000,000 (the “Loan”) from JMAC Energy Services LLC (“JMAC”). The Corporation used the proceeds of the Loan to repay its existing term loan with Canadian Western Bank (“CWB Loan”) and for general working capital purposes.

The Loan was secured at an interest rate of 12% per annum, provided that the interest rate will increase to 18% per annum if there was an event of default. The Loan was structured to mature on June 30, 2023, but could be prepaid in full at any time following April 30, 2023. Additionally, the Loan was secured by a first priority security interest over all of the assets of Athabasca and its Canadian subsidiaries following the discharge of the CWB Loan. JMAC is a related party to Athabasca, as JMAC is controlled by Jon McCreary who was a director of Athabasca, and, as such, the Loan is a “related party transaction” within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions* (“MI 61-101”).

The Loan was obtained on reasonable commercial terms that are not less advantageous to Athabasca than if the Loan was obtained from a person dealing at arm’s length with Athabasca and Athabasca’s Board of Directors (other than Mr. McCreary) approved the Loan. The Loan and interest are not convertible, or repayable, directly or indirectly, in equity or voting securities of Athabasca or any of its subsidiaries or otherwise participating in nature.

On June 30, 2023, the Corporation entered into an amended credit agreement (“First Amending Agreement”) for the amendment of the Loan. The First Amending Agreement amends the 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 Loan would mature 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. No bonus securities will be issued in connection with the First Amending Agreement.

On September 21, 2023, the Corporation entered into an amended credit agreement (“Second Amending Agreement”) for the amendment of the Loan. The Second Amending Agreement amends the Loan to mature on November 30, 2023 but may be prepaid in whole or in part at any time with not less than five days prior notice. No bonus securities will be issued in connection with the Second Amending Agreement.

CWB Bank Loan (CWB)

As at December 31, 2022 the Corporation has an outstanding balance owing of \$193,735 and was not subject to any covenants as part of the credit facility. The loan was secured by a general security agreement on all Canadian assets and full liability guarantees from AMI RockChain Inc. and AMI Silica Inc.

Interest paid has been expensed as finance costs (See Note 25).

On February 28, 2023, the Corporation repaid the outstanding balance owing at that time of \$146,849 using proceeds from the JMAC loan the Corporation obtained.

Canada Emergency Business Account (“CEBA”) Loans

The CEBA loans are interest free and are to be repaid before January 18, 2024 and the Government of Canada will forgive 33% of the initial loan amount if requested by January 18, 2024.

Note 16 – JMAC Loan, Bank and Other Loans - continued

The following table summarizes bank and other loans:

	Interest Rate	Monthly Payments	As at	
			September 30, 2023	December 31, 2022 Restated (Note 1)
JMAC Energy Services	12.00%	\$ -	\$ 2,000,000	\$ -
Canada Emergency Business Account (AMI RockChain)	0.00%	\$ -	60,000	60,000
Canada Emergency Business Account (AMI Silica)	0.00%	\$ -	60,000	60,000
Canada Emergency Business Account (TerraShift)	0.00%	\$ -	60,000	60,000
Canada Emergency Business Account (2132561)	0.00%	\$ -	60,000	60,000
Canada Emergency Business Account (2140534)	0.00%	\$ -	60,000	60,000
CWB Bank Loan Facility, due April 30, 2023	5.40%	\$ 49,022	-	193,736
Total Bank and other loans			\$ 2,300,000	\$ 493,736
Current portion - principal due within one year			(2,300,000)	(493,736)
			\$ -	\$ -

Future minimum loan payments for the subsequent five years is as follows:

October 1, 2023-September 30, 2024	\$ 2,300,000
October 1, 2024-September 30, 2025	
October 1, 2025-September 30, 2026	-
October 1, 2026-September 30, 2027	-
October 1, 2027-September 30, 2028	-
Beyond	-
	<u>2,300,000</u>
Less: interest included in payments above	
Bank loan principal outstanding, September 30, 2023	<u>\$ 2,300,000</u>

Account Performance Service Guarantee

In July 2021 the Corporation entered into an Account Performance Service Guarantee (APSG) arrangement with Export Development Canada for a maximum aggregate liability of \$1,000,000. The fee rate under the APSG is 0.2225% for financial types of obligations and 0.1692% for non-financial types of obligations.

Letters of Credit

As at September 30, 2023, the Corporation has outstanding letters of credit in the amounts of \$854,430 (December 31, 2022: \$854,430) in favour of the Government of Alberta. These letters of credit are issued by CWB and secured guaranteed investment certificates (note 9) and by Account Performance Service Guarantees.

The issued and outstanding letters of credit are as follows:

	As at	
	September 30, 2023	December 31, 2022 Restated (Note 1)
Susan Lake pit	\$ 228,540	\$ 228,540
Poplar Creek Site, storage yard	180,000	180,000
Emerson pit	75,240	75,240
Coffey Lake reclamation	296,520	296,520
Coffey Lake industrial miscellaneous lease	74,130	74,130
Coffey Lake performance bond	100,000	100,000
	<u>\$ 954,430</u>	<u>\$ 954,430</u>

As part of the disposition of non-core assets (note 6), the letters of credit for Coffey Lake will be released as the terms of the sale agreement are completed. In October 2023, the letter of credit for the Susan Lake pit was returned to CWB and cancelled.

Note 16 – JMAC Loan, Bank and Other Loans - continued

Coffey Lake Performance Bond

The Corporation has a \$500,000 bonding facility through Trisura Guarantee Insurance Company (“Trisura”) for a \$500,000 bond with the Government of Alberta for the Coffey Lake performance bond. The \$500,000 performance bond with Trisura carries a 2% annual interest rate. Security for the performance bond is based on the appraised value of private lands included in exploration costs and a \$100,000 letter of credit to be held as security by Trisura. This \$100,000 letter of credit is secured with a \$100,000 guaranteed investment certificate (note 10).

As part of the disposition of non-core assets (note 6), the Coffey Lake performance bond will be released and the \$100,000 restricted deposit will be returned and the \$100,000 letter of credit will be cancelled.

Credit Card Facility

The Corporation has access to a corporate credit card facility, up to a maximum of \$20,000 (December 31, 2022: \$20,000). The Corporation has secured its corporate credit card facility with a guaranteed investment certificate of \$20,000 (See Note 10).

Note 17 – Shareholders’ Loans

On April 29, 2022, the Corporation borrowed \$1,985,000 through shareholders’ loans from a director, officers, senior management, and two existing shareholders. The loans were for a period of twelve months, were unsecured, with interest of 12% per annum, payable monthly. In June 2022, \$85,000 in loans were repaid. On December 31, 2022 the shareholders’ loan agreements were amended with annual interest now 14%, payable monthly and the principal repayment terms extended until May 1, 2024. The loans are still unsecured and the principal balance is due on May 1, 2024. In January 2023, an existing shareholder loaned the Corporation an additional \$500,000 under the amended terms.

	As at	
	September 30, 2023	December 31, 2022 Restated (Note 1)
Shareholders' Loan	2,400,000	1,900,000
Total Loans	2,400,000	1,900,000
Current portion - principal due within one year	(2,400,000)	(1,900,000)
	\$ -	\$ -

Future minimum Shareholder payments for the subsequent five years is as follows:

October 1, 2023-September 30, 2024	\$ 2,400,000
October 1, 2024-September 30, 2025	-
October 1, 2025-September 30, 2026	-
October 1, 2026-September 30, 2027	-
October 1, 2027-September 30, 2028	-
Future Period	-
	2,400,000
Less: interest included in payments above	-
Total principal outstanding, September 30, 2023	\$ 2,400,000

Note 18 – Lease Obligations

			As at	
			September 30, 2023	December 31, 2022 Restated (Note 1)
	Interest Rate	Monthly/Quarterly* Instalments		
Finance Leases				
VETS Group Ltd. Calgary Lease	14.00%	Variable	332,442	298,555
Xerox Photocopier Lease	3.68%	816 *	3,127	4,898
			<u>335,569</u>	<u>303,453</u>
Current portion - principal due within one year			<u>(32,077)</u>	<u>(8,328)</u>
			<u>\$ 303,492</u>	<u>\$ 295,125</u>

Future minimum lease payments for the subsequent five years is as follows:

October 1, 2023-September 30, 2024	\$ 71,919
October 1, 2024-September 30, 2025	\$ 80,070
October 1, 2025-September 30, 2026	\$ 79,427
October 1, 2026-September 30, 2027	\$ 97,265
October 1, 2027-September 30, 2028	\$ 146,391
Beyond	\$ -
	<u>475,072</u>
Less: interest included in payments above	<u>(139,504)</u>
Lease obligations principal outstanding, September 30, 2023	<u>\$ 335,569</u>

Note 19 – Environmental Rehabilitation Obligations (“ERO”)

The following is a reconciliation of the environmental rehabilitation obligations of the Corporation:

		As at	
		September 30, 2023	December 31, 2022 Restated (Note 1)
	Note		
Opening balance, ERO		2,501,114	\$ 2,795,712
Change in estimate recognized in ERO asset		-	263,336
Change in discount rate recognized in ERO asset		-	(299,264)
Change in discount rate recognized in other operating expenses			(338,919)
Accretion expense		11,334	80,249
Disposition of ERO related to disposition of non-core assets	6	(1,815,098)	
Closing Balance, ERO		<u>697,350</u>	<u>2,501,114</u>
Less: Current portion, EROs to be funded within one year		-	
Closing Balance, ERO		<u>\$ 697,350</u>	<u>\$ 2,501,114</u>

Provisions for EROs are recognized for mining activities at the Corporate owned pits and managed public pits. The Corporation assesses its provision for EROs on an annual basis or when new material information becomes available. The estimated undiscounted ERO Corporate owned pits and managed public pits as at September 30, 2023 is \$945,893 (December 31, 2022: \$2,609,760). Total reclamation funded during the three and nine months ended September 30, 2023 was \$nil (three and nine months ended September 30, 2022: \$nil).

The discount rates used by the Corporation for its owned and managed pits are based on the Government of Canada bond yields for periods comparable to the expected timing of reclamation activities at each site. These rates ranged from 3.58% to 3.29% as at September 30, 2023 (December 31, 2022: 3.58% to 3.29%) depending on the expected timing of reclamation activities. It is expected that reclamation activities for the owned and managed pits and stockpile sites, as well as Susan Lake, will occur between 2023 and 2037 considering the projected production schedules, the timing of reclamation activities included in the respective Conservation and Reclamation Business Plans, as well as the timing of expiration of the related surface materials lease for each property.

Note 19 – Environmental Rehabilitation Obligations (“ERO”) - continued

Accretion expense is the expense calculated when updating the present value of the ERO provision. This expense increases the liability based on estimated timing of reclamation activities and the discount rate used in the ERO calculations. The accretion expense amounts are included in other operating expenses on the statement of loss and comprehensive loss and are summarized in the respective table in Note 25.

Note 20 – Share Capital

The continuity of the Corporation's outstanding share capital is as follows:

	Notes	Nine months ended September 30, 2023		Year ended December 31, 2022 (Note 1)	
		Number of Shares	Amount	Number of Shares	Amount
Authorized:					
An unlimited number of:					
Common voting shares with no par value					
Preferred shares, issuable in series					
Issued and outstanding, beginning of period		78,582,686	\$ 23,509,890	76,964,088	\$ 22,971,793
Issuance of common share units in private placement		-	-	100,000	32,990
Shares issued to contractors/consultants/employees		-	-	158,898	75,000
Stock options exercised		-	-	1,359,700	430,107
Issued and outstanding, end of period		78,582,686	\$ 23,509,890	78,582,686	\$ 23,509,890

Stock options

The Corporation has issued options to Directors, Officers, employees, and consultants of the Corporation as incentives.

The fair value of the options granted was estimated on the dates of the grant using the Black-Scholes Option Pricing Model.

The fair values of the options granted in the last two years were estimated using the following assumptions:

Grant Date	# of Options	Exercise Price	Dividend Yield	Expected Volatility	Risk Free Rate of Return	Expected Life	Weighted Average Fair Value on Grant Date	Forfeiture Rate
September 26, 2022	75,000	\$ 0.19	Nil	87.9%	3.47%	5 years	\$ 0.13	20.7%
September 26, 2022	25,000	\$ 0.24	Nil	87.9%	3.47%	5 years	\$ 0.12	20.7%
June 21, 2022	225,000	\$ 0.39	Nil	95.9%	3.37%	5 years	\$ 0.29	17.5%
May 25, 2022	474,000	\$ 0.32	Nil	82.5%	2.58%	5 years	\$ 0.21	16.9%
April 26, 2022	725,300	\$ 0.35	Nil	93.2%	2.58%	5 years	\$ 0.25	17.1%
December 14, 2021	300,000	\$ 0.28	Nil	92.9%	1.29%	5 years	\$ 0.20	17.9%
November 23, 2021	1,506,000	\$ 0.21	Nil	92.7%	1.57%	5 years	\$ 0.15	18.1%

The expected volatility was determined using historical trading data for the Corporation for a period commensurate with the expected life of the options.

The continuity of the Corporation's outstanding stock options is as follows:

	Nine months ended September 30, 2023		Year ended December 31, 2022 Restated (Note 1)	
	Number of Options	Average Exercise Price	Number of Options	Exercise Price
Options outstanding, beginning of period:	3,721,600	\$ 0.28	5,822,200	\$ 0.24
Issued	-	-	1,524,300	0.34
Exercised	-	-	(1,359,700)	0.19
Expired or cancelled	(866,200)	0.30	(2,265,200)	0.28
Options outstanding, end of period:	2,855,400	\$ 0.27	3,721,600	\$ 0.28

Note 20 – Share Capital - continued

Of the 2,855,400 (December 31, 2022: 3,721,600) outstanding stock options, 2,608,634 (December 31, 2022: 2,705,400) options have vested and therefore, were exercisable as at September 30, 2023 at a weighted average exercise price of \$0.27 per share (December 31, 2022: \$0.28 per share).

During the three month and nine months ended September 30, 2023, no options were exercised. During the three months ended September 30, 2022, 1,359,700 options were exercised at an average exercise price of \$0.19 per share for total proceeds of \$258,343. The average share price on the days they were exercised was \$0.39 per share

The Corporation's stock option plan provides that the Board of Directors may from time to time, in its discretion, grant to Directors, Officers, employees and consultants of the Corporation, or any subsidiary of the Corporation, the option to purchase common shares.

The stock option plan provides for a floating maximum limit of 10% of the outstanding common shares, as permitted by the policies of the TSX Venture Exchange. Options may be exercisable for up to ten years from the date of grant, but the Board of Directors has the discretion to grant options that are exercisable for a shorter period. The outstanding stock option grants were issued with an exercisable period of five years from the date of grant. Options under the stock option plan are not transferable or assignable.

Pursuant to the stock option plan, options must be exercised within thirty days following termination of employment or cessation of the optionee's position with the Corporation, or such other period established by the Board of Directors, provided that if the cessation of office, directorship, consulting arrangement or employment was by reason of death or disability, the option may be exercised within one year, subject to the expiry date.

The Corporation's outstanding stock options are as follows:

Expiry Date	Exercise Price	As at	
		September 30, 2023	December 31, 2022 Restated (Note 1)
June 4, 2023	0.17	-	150,000
November 23, 2023	0.26	100,000	100,000
May 22, 2024	0.57	135,000	135,000
June 24, 2024	0.65	-	120,000
August 20, 2024	0.64	30,000	30,000
December 6, 2024	0.33	272,000	317,000
November 25, 2025	0.14	220,800	254,400
April 21, 2026	0.24	214,800	314,400
November 23, 2026	0.21	645,000	900,000
December 14, 2026	0.28	300,000	300,000
April 26, 2027	0.35	271,300	400,300
May 25, 2027	0.32	369,000	369,000
September 26, 2027	0.24	25,000	25,000
September 26, 2027	0.19	75,000	75,000

The weighted average remaining contractual life of the options outstanding is 2.58 years (December 31, 2022: 3.19 years).

Restricted Share Unit (“RSUs”) and Deferred Share Units (“DSUs”)

On April 4, 2019, the Corporation adopted Restricted Share Unit (“RSU”) and Deferred Share Unit (“DSU”) plans. No RSUs have been granted yet.

	Nine months ended September 30, 2023				Year ended December 31, 2022 Restated (Note 1)			
	Number of DSUs	Weighted Average Fair Value	Number of RSUs	Weighted Average Fair Value	Number of DSUs	Weighted Average Fair Value	Number of RSUs	Weighted Average Fair Value
Outstanding, beginning of period:	685,000	\$ 0.26	-	\$ -	1,227,000	\$ 0.22	-	\$ -
Issued	-	-	-	-	100,000	0.32	-	-
Expired or cancelled	(165,000)	0.55	-	-	(642,000)	0.43	-	-
Outstanding, end of period:	520,000	\$ 0.23	-	\$ -	685,000	\$ 0.26	-	\$ -

Note 20 – Share Capital - continued

During the three and nine months ended September 30, 2023 no DSUs were granted to Directors, Officers, and employees of the Corporation (three and nine months ended September 30, 2022: 100,000 DSUs). DSUs vest one-third on the first, second, and third (annual) anniversary of the date of grant based on continued tenure of the participant.

Of the 520,00 (December 31, 2022: 685,000) outstanding DSUs, 441,333 (December 31, 2022: 547,000) DSUs have vested.

The fair value of the DSU liability of \$120,364 (December 31, 2022: \$151,183), which is based on the closing price of the Corporation's shares on the TSX Venture Exchange as of September 30, 2023 and an expected forfeiture rate of 19.04%, is included in accounts payable and accrued liabilities in the consolidated statements of financial position. Any change to the fair value of the liability is included in share-based compensation expense in the consolidated statements of loss and comprehensive loss.

The vested DSUs are redeemable by the participant following resignation, retirement, or death. The fair value of the DSUs redeemed is equal to the market price of the Corporation's shares and are payable in the form of cash, less applicable withholding taxes.

The stock option plan provides for a floating maximum limit of 10% of the outstanding common shares, as permitted by the policies of the TSX Venture Exchange. The ESP, RSU and DSU plans provides for a defined maximum limit each of 2% of the outstanding common shares, as permitted by the policies of the TSX Venture Exchange.

Share-based compensation expense is comprised of the following:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Stock options	\$ 10,472	\$ 81,658	\$ 68,272	\$ 271,829
Deferred share units	\$ 2,447	\$ 2,780	\$ (30,819)	\$ (115,947)
Share-based compensation expense	\$ 12,919	\$ 84,438	\$ 37,453	\$ 155,882

Share-based compensation expense in the consolidated statements of income (loss) and comprehensive income (loss) for the three and nine months ended September 30, 2023 includes \$1,381 and (\$2,298) respectively for Directors, (three and nine months ended September 30, 2022: \$14,242 and \$68,240 respectively) \$7,937 and \$40,693 respectively to Officers (three and nine months ended September 30, 2022: \$33,014 and \$32,541 respectively), and \$3,601 and \$1,212 to Employees or Contractors, (three and nine months ended September 30, 2022: \$37,182 and \$55,191 respectively).

Net Income (Loss) and Diluted Income (Loss) Per Common Share

The treasury stock method is used to calculate diluted income (loss) per share, and under this method options that are anti-dilutive are excluded from the calculation of diluted income (loss) per share. The following tables shows the total income (loss) per common share, diluted for the three and nine months ended September 30, 2023 and 2022:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Basic income (loss) per share				
Total net income (loss)	\$ (2,650,098)	\$ (657,296)	\$ (5,134,379)	\$ 16,858,094
Weighted average number of common shares outstanding	78,582,686	78,399,492	78,582,686	77,743,781
Total net income (loss) per common share, basic	\$ (0.034)	\$ (0.008)	\$ (0.065)	\$ 0.217
Diluted income (loss) per share				
Total net income (loss)	\$ (2,650,098)	\$ (657,296)	\$ (5,134,379)	\$ 16,858,094
Weighted average number of common shares outstanding	78,582,686	78,399,492	78,582,686	77,743,781
Effect of dilutive stock options	-	-	-	1,213,688
Weighted average number of common shares outstanding after dilution	78,582,686	78,399,492	78,582,686	78,957,469
Total net income (loss) per common share, diluted	\$ (0.034)	\$ (0.008)	\$ (0.065)	\$ 0.214

Note 21 – Related Party Transactions

The Corporation's related parties include three independent Directors, the Chief Executive Officer, the Chief Financial Officer, AMI RockChain Inc., AMI Aggregates Inc., AMI Silica Inc., TerraShift Engineering Ltd., AMI Silica LLC, the numbered Alberta corporation that owns the Montney In-Basin Project, and the numbered Alberta corporation that owns the Prosvita Sand Project.

All related party transactions were in the normal course of operations and were measured at the amount of consideration established and agreed to by the related parties.

The remuneration earned by the Directors was as follows:

	Three months ended September 30,		Nine Months ended September 30,	
	2023	2022	2023	2022
Directors:				
Directors fees	\$ 82,000	\$ 35,000	\$ 82,000	\$ 118,000
Share-based compensation	2,546	14,242	6,721	68,240
	\$ 84,546	\$ 49,242	\$ 88,721	\$ 186,240

The Directors fees are paid on a quarterly basis.

On April 29, 2022, the Corporation entered into shareholder loan agreements for funds totaling \$1,985,000 and an additional \$500,000 in January 2023. (Note 17)

During the three and nine months ended September 30, 2023, AMI provided management services to AMI Silica LLC for \$57,705 and \$201,222 respectively (three and nine months ended September 30, 2022-\$nil). During the three and nine months ended September 30, 2023, JMAC provided accounting services to AMI Silica LLC for \$57,705 and \$201,222 respectively (three and nine months ended September 30, 2022-\$nil).

During the three and nine months ended September 30, 2023, JMAC provided factoring services to AMI Silica LLC for working capital purposes. Interest and fees totaling USD \$481,909 and USD \$1,150,748 respectively were paid for these services (three and nine months ended September 30, 2022-\$nil).

Note 22 – Compensation of Key Management

The remuneration paid to named Officers were as follows:

	Three months ended September 30,		Nine Months ended September 30,	
	2023	2022	2023	2022
Salaries and other benefits	\$ 124,996	\$ 133,133	\$ 426,693	\$ 617,134
Severance	-	-	-	638,985
Share-based compensation	7,937	33,014	40,693	32,451
	\$ 132,933	\$ 166,147	\$ 467,386	\$ 1,288,570

Note 23 – Financial Instruments

Classification

The Corporation's financial instruments consist of the following:

Financial statement item	Classification
Cash	Amortized cost
Trade and other receivables	Amortized cost
Long-term deposits	Amortized cost
Restricted cash	Amortized cost
Accounts payable and accrued liabilities	Amortized cost
Shareholders' loans	Amortized cost
Bank and other loans	Amortized cost
Deferred share unit liability (included in Accounts payable and accrued liabilities)	Fair value through profit and loss

Note 23 – Financial Instruments - continued

Fair Value

Due to the short-term nature of cash, trade and other receivables, as well as accounts payable and accrued liabilities, and the carrying value of these financial instruments approximate their fair value.

The fair value of restricted cash approximates the carrying values as they are at the market rate of interest. Long-term deposits are refundable. The fair values of the long-term deposits are not materially different from their carrying value.

The fair value of bank loans approximates their carrying value as they are at market rates of interest.

The deferred share unit liability is the only financial instrument measured at fair value on a recurring basis. The deferred share unit liability is a Level 2 fair value hierarchy measurement. There were no transfers between Level 1, 2, or 3 of the fair value hierarchy for the three and nine months ended September 30, 2023 (December 31, 2022: none).

Credit Risk

Financial instruments that potentially subject the Corporation to credit risk consist primarily of cash, restricted cash, trade and other receivables, and long-term deposits. The Corporation's maximum credit risk at September 30, 2023 is the carrying value of these financial assets.

Credit risk associated with cash and restricted cash is minimized substantially by ensuring that these financial assets are placed with major financial institutions that have been accorded strong investment grade rating. Long-term deposits are held with the Government of Alberta thus minimizing their credit risk.

On an ongoing basis, the Corporation monitors the financial condition of its customers with all information available. The Corporation reviews the credit worthiness of all new customers and sets credit limits accordingly in order to minimize the Corporation's exposure to credit losses. The Corporation requires any customers deemed to be high-risk to prepay for aggregate prior to taking delivery.

The aging summary for trade and other receivables is as follows:

	Current	30-60 days	60-90 days	> 90 days	Total
As at September 30, 2023	\$ 138,937	\$ 32,550	\$ 6,272	\$ 2,804	\$ 180,562
As at December 31, 2022, Restated (Note 1)	\$ 1,160,942	\$ 46,373	\$ 150,364	\$ 32,059	\$ 1,389,738

Three customers owing greater than 10% of the accounts receivable total balance accounted for 96% of the Corporation's accounts receivable as at September 30, 2023 (December 31, 2022: five customers accounted for 74%).

Note 23 – Financial Instruments - continued

Liquidity Risk

Liquidity risk is the risk that the Corporation will not be able to meet its financial obligations as they fall due. The Corporation manages liquidity risk through budgeting and forecasting cash flows to ensure it has enough cash to meet its short-term requirements for operations, business development and other contractual obligations.

As at September 30, 2023, the Corporation has insufficient working capital to fund ongoing operations and meet its liabilities when they come due. Accordingly, the Corporation is exposed to significant liquidity risk (see note 1). The Corporation's financial liabilities include accounts payable and accrued liabilities, income taxes payable, the shareholders' loans, the JAMC loan and the bank and other loans and lease obligations, including interest.

The expected remaining contractual maturities of the Corporation's financial liabilities, including interest where applicable, are shown in the following tables:

	As at September 30, 2023			
	0 - 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	\$ 2,071,787	\$ -	\$ -	\$ 2,071,787
Income taxes payable	177,217	-	-	177,217
Bank loans, including interest	2,300,000	-	-	2,300,000
Shareholders' loans	2,400,000	-	-	2,400,000
Lease obligations, including interest	71,919	159,497	243,656	475,072
Total	\$ 7,020,924	\$ 159,497	\$ 243,656	\$ 7,424,077

	As at December 31, 2022, Restated (Note 1)			
	0 - 1 year	2 - 3 years	4 - 5 years	Total
Accounts payable and accrued liabilities	\$ 2,598,359	\$ -	\$ -	\$ 2,598,359
Income taxes payable	590,050	-	-	590,050
Loans, including interest	493,736	-	-	493,736
Shareholders' loans	-	1,900,000	-	1,900,000
Lease obligations, including interest	19,944	161,326	190,020	371,290
Total	\$ 3,702,089	\$ 2,061,326	\$ 190,020	\$ 5,953,435

The AMI Silica LLC general trade receivables have been factored by a related party (note 21). AMI Silica LLC has an obligation to pay the counterparty irrespective of any credit loss. The true contractual rights to the trade receivables have been maintained by AMI Silica LLC, but there is a contractual obligation to pay the obligation. There is also a restriction against any further collateralization of the trade receivables.

Note 24 – Capital Disclosures

The Corporation's objective when managing its capital structure is to maintain a strong financial position and to provide returns with sufficient liquidity to undertake further growth for the benefit of its shareholders. The Corporation's capital is comprised of long-term obligations and equity as outlined below:

Note 25 – Supplemental Statement of Income (Loss) and Comprehensive Income (Loss) Disclosures

A large portion of the Corporation's aggregate sales and aggregate management services revenue typically come from a small group of major customers. Any customer who represents more than 10% of the Corporation's revenue for the respective period is considered a major customer. During the three months ended September 30, 2023, 88% of sales were made to two major customers (three months ended September 30, 2022: 81% to one major customer).

Note 25 – Supplemental Statement of Income (Loss) and Comprehensive Income (Loss) Disclosures - continued

Finance costs are comprised of the following:

	Notes	As at	
		September 30, 2023	December 31, 2022 Restated (Note 1)
Total equity attributable to shareholders		\$ 23,548,453	\$ 28,614,560
Total borrowings			
Shareholder loans	17	2,400,000	1,900,000
Bank and other loans	16	2,300,000	493,736
Lease obligations	18	335,569	303,453
Cash		(2,066,271)	(587,623)
Total managed capital		\$ 26,517,750	\$ 30,724,126

	Notes	Three months ended September 30,		Nine months ended September 30	
		2023	2022	2023	2022
Interest on bank loans and shareholders' loans	16	(169,632)	(5,876)	(440,551)	(23,009)
Interest on lease obligations	18	-	(58,300)	-	(106,192)
		\$ (169,632)	\$ (64,176)	\$ (440,551)	\$ (129,201)

Total lease payments, including principal and interest, for the three and nine months ended September 30, 2023 was \$nil and \$1,771 respectively (three and nine months ended September 30, 2022-\$18,429 and \$27,429 respectively). See Note 18 for additional information.

Total payments on the CWB loan, including interest, for the three and nine months ended September 30, 2023 was \$nil and \$193,736 respectively (three and nine months ended September 30, 2022-\$147,066 and \$441,197 respectively). See Note 16 for additional information.

Other operating income (expenses) are comprised of the following:

	Notes	Three months ended September 30,		Nine months ended September 30	
		2023	2022	2023	2022
Amortization of contract costs	11	-	(3,282)	-	(18,120)
Amortization of ERO assets	13	-	(2,318)	-	-
Amortization of resource property lease costs	13	-	(777)	-	(14,377)
Change in estimate for ERO recognized in other operating expenses	19	-	-	-	(4,987)
Change in discount rate recognized in other operating expenses	19	-	22,358	-	58,051
Accretion of ERO liability	19	(5,667)	(19,799)	(35,468)	(59,206)
		\$ (5,667)	\$ (3,819)	\$ (35,468)	\$ (38,640)

Other non-operating income is comprised of the following:

	Three months ended September 30,		Nine months ended September 30	
	2023	2022	2023	2022
Camp rental income		-		
Other				
Share of profit (loss) from joint venture	(1,463,764)	496,921	(2,954,510)	23,005,184
Gain on sale of non-core assets	(26,060)	14,972	1,181,090	90,748
Foreign exchange loss (gain)				
	\$ (1,489,824)	\$ 511,893	\$ (1,773,420)	\$ 23,095,932

The following table shows the total employee benefit expenses for the period:

	Three months ended September 30,		Nine months ended September 30,	
	2023	2022	2023	2022
Employee benefit expenses	\$ 333,274	\$ 858,850	\$ 1,604,963	\$ 3,223,903

Employee benefit expenses include wages, salaries, bonuses, and group benefit premiums, as well as Canada Pension Plan, Employment Insurance and Workers' Compensation Board contributions. Employee benefit expenses are included in both operating costs and general and administrative expenses in the consolidated statements of loss and comprehensive loss.

Note 26 – Segmented Reporting

Reportable segments are determined based on the corporate structure and operations in accordance with the Corporation's accounting policies. Specifically, an operating segment should have separate financial information available, with management review of financial information. The operating segment should engage in business activities where it earns revenue and incurs expenses. While a reporting segment should have revenue which is 10% or more of combined revenue; assets which are 10% or more of combined assets; and an absolute amount of reporting profit or loss that is 10% or more or reported profit of all operating segments. Using this guidance, the Corporation has reported the TerraShift operations as a separate segment. As of August 24, 2022 the Corporation began to phase out the operations of TerraShift as part of the Corporation's staged plan to create a sustainable and resilient business model. This reorganization and simplification of operations also contributes to a reduction in personnel and overhead. TerraMaps and other assets will be maintained to continue to be of benefit to other AMI divisions. The US geographic segment is also represented by AMI Silica as all US operations are conducted through this business.

Gross loss includes adjustments for general and administrative expenses, share based compensation, other operating expenses, finance costs, non-operating income, interest income, and income taxes in order to arrive at total loss and comprehensive loss, of which most of these expenses are incurred by the AMI Aggregates or Corporate segments. Gross loss is therefore a better basis for measuring the performance of the Corporation.

The "Corporate & Eliminations" segment represents services provided by RockChain and TerraShift to other segments and is disclosed for reconciliation purposes only. The numbered Alberta corporations that respectively own the Montney In-Basin Project and the Prosvita Sand Project are included in the AMI Silica segment.

The summary of key financial information by reportable segment for the three and nine months ended September 30, 2023 (along with restated comparative information (see Note 1) for the three and nine months ended September 30, 2022 and as at December 31, 2022 is as follows):

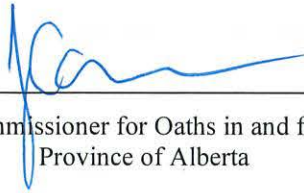
	AMI Aggregates		AMI RockChain		AMI Silica		TerraShift		Corporate & Eliminations		Consolidated	
	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022	2023	2022
For the three months ended September 30, 2023												
Revenue:												
Product sales revenue	\$ -	\$ 48,517	\$ -	\$ 2,594	\$ -	\$ -	\$ 17,817	\$ 310,788	\$ -	\$ -	\$ 17,817	\$ 361,899
Services revenue	234,356	251,305	96,593	4,220,637	-	-	-	(99,559)	-	(74,971)	330,949	4,297,412
Gross revenue, including royalties	234,356	299,822	96,593	4,223,231	-	-	17,817	211,229	-	(74,971)	348,766	4,659,311
Revenue, net of royalties	234,356	266,222	96,593	4,223,231	85,000	-	17,817	211,229	-	(74,971)	433,766	4,625,711
Gross profit (loss)	\$ 75,492	(492,954)	\$ 10,459	445,361	\$ (6,948)	-	\$ 16,407	298,091	\$ 203,646	(50,941)	\$ 299,056	199,557
For the nine months ended September 30, 2023												
Revenue:												
Product sales revenue	\$ 11,556	\$ 3,970,939	\$ -	\$ 1,979,528	\$ -	\$ -	\$ 44,917	\$ 310,788	\$ -	\$ (2,599,294)	\$ 56,472	\$ 3,661,952
Services revenue	2,159,345	1,876,372	353,369	5,040,716	-	-	15,651	394,148	(163,646)	(385,288)	2,364,719	6,925,448
Gross revenue, including royalties	2,170,901	5,847,311	353,369	7,020,244	-	-	60,568	704,936	(163,646)	(3,984,980)	2,421,192	10,587,400
Revenue, net of royalties	1,867,414	5,631,210	353,369	7,020,244	-	-	60,568	704,936	(163,646)	(3,984,980)	2,117,705	10,371,409
Gross profit (loss)	\$ 501,721	292,933	\$ 29,613	547,995	\$ (79,146)	(309,678)	\$ 58,051	715,292	\$ -	(9,838)	\$ 510,239	1,236,705
As at												
Segment assets	\$ 69,486,376	\$ 71,366,312	\$ (2,488,474)	\$ (717,354)	\$ (3,415,738)	\$ (2,172,678)	\$ 442,738	\$ 425,440	\$ (31,493,599)	\$ (31,851,072)	\$ 32,531,304	\$ 37,050,648
Segment liabilities	\$ 7,555,376	\$ 5,763,664	\$ 144,138	\$ 1,703,823	\$ 1,694,114	\$ 1,844,906	\$ 66,166	\$ 78,513	\$ (1,477,869)	\$ (954,818)	\$ 7,981,924	\$ 8,436,087

Product sales revenue includes the sale of tangible items such as gravel and sand. Services revenue includes such items as the Coffey Lake pit management contract, transportation services provided in delivering gravel and sand to customers, the confidential pit management contract, fees for engineering services, and subscription revenues.

Note 27 – Subsequent Event

On October 30, 2023, the Corporation executed a settlement agreement and mutual release (the "Agreement") with an independent, arm's length supplier (the "Supplier"). The Agreement, valued at \$375,000, is the result of extensive negotiations between the Corporation and the Supplier and is aimed at resolving outstanding financial obligations. As part of the Agreement, the Corporation will transfer ownership of five non-core and non-cash generating resource properties, namely Cowper, Emerson, Hargwen, Pelican, and Poplar Creek North, to the Supplier. In addition to the asset transfer, the Corporation will make a one-time payment of \$60,000 to the Supplier. The Corporation estimates a gain of about \$175,000 will be recognized on this transaction.

This is Exhibit "H"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

NON-REVOLVING TERM LOAN AGREEMENT

AMONG

**ATHABASCA MINERALS INC.
as Borrower**

and

**JMAC ENERGY SERVICES LLC
as Lender**

Dated as of February [16], 2023

TABLE OF CONTENTS

	<u>Page</u>
ARTICLE 1 INTERPRETATION.....	1
1.1 Definitions.....	1
1.2 Headings and Table of Contents.....	7
1.3 References.....	7
1.4 Rules of Interpretation.....	7
1.5 Generally Accepted Accounting Principles.....	7
1.6 Time.....	8
1.7 Payment for Value.....	8
1.8 Currency.....	8
ARTICLE 2 THE LOAN.....	8
2.1 The Loan.....	8
2.2 Purpose.....	8
2.3 Advance.....	8
2.4 Repayment on Maturity.....	8
2.5 Account of Record.....	8
2.6 Prepayment.....	9
2.7 Interest on the Loan.....	9
2.8 Lender Fees.....	9
2.9 Maximum Rate Permitted by Law.....	9
2.10 Waiver.....	10
ARTICLE 3 PAYMENT.....	10
3.1 Time, Place and Currency of Payment.....	10
3.2 No Set-off.....	10
3.3 Increased Costs.....	10
ARTICLE 4 SECURITY.....	11
4.1 Security.....	11
4.2 After-Acquired Property and Further Assurances.....	11
4.3 Conditions Subsequent.....	11
ARTICLE 5 REPRESENTATIONS AND WARRANTIES.....	12
5.1 Representations and Warranties of the Borrower.....	12
5.2 Representations and Warranties of the Lender.....	17
ARTICLE 6 COVENANTS OF THE BORROWER.....	17
6.1 Positive Covenants.....	17
6.2 Negative Covenants.....	20

ARTICLE 7 EVENTS OF DEFAULT	22
7.1 Events of Default	22
7.2 Acceleration and Enforcement	24
7.3 Waiver of Default	24
7.4 Application of Payments Following Acceleration	25
7.5 Remedies Cumulative	25
7.6 Set-Off	26
7.7 Lender May Perform Covenants	26
ARTICLE 8 CONDITIONS TO CLOSING.....	26
8.1 Conditions to Closing	26
ARTICLE 9 EXPENSES AND INDEMNITIES.....	27
9.1 Reimbursement of Expenses and Indemnity	27
9.2 Illegality	28
9.3 General Indemnity.....	28
ARTICLE 10 MISCELLANEOUS.....	28
10.1 Severability.....	28
10.2 Assignment.....	28
10.3 Survival of Undertakings.....	29
10.4 Failure to Act	29
10.5 Amendments	29
10.6 Notice	29
10.7 Further Assurances.....	30
10.8 Loan and Agreement Disclosure	30
10.9 No Strict Construction.....	30
10.10 Governing Law	30
10.11 Whole Agreement	30
10.12 Paramountcy	30
10.13 Term of Agreement	31
10.14 Time of Essence	31
10.15 Counterpart Execution	31

NON-REVOLVING TERM LOAN AGREEMENT

THIS NON-REVOLVING TERM LOAN AGREEMENT is made as of February [16], 2023

AMONG:

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

- and -

ATHABASCA MINERALS INC., a corporation validly subsisting under the laws of the Province of Alberta (the "**Borrower**")

RECITALS:

- A. The Lender has agreed to provide the Borrower with a non-revolving term loan in the aggregate principal amount of \$2,000,000.
- B. The Loan has been provided for the purposes of allowing the Borrower to refinance its outstanding senior term loan (the "**CWB Loan**") with Canadian Western Bank ("**CWB**"), and for certain capital expenditures, as agreed between the Lender and the Borrower, and for general working capital purposes.

NOW THEREFORE, in consideration of the covenants and agreements herein contained, the Parties agree as follows:

ARTICLE 1 INTERPRETATION

1.1 Definitions

In this Agreement and the Exhibits hereto and in all notices pursuant to this Agreement, unless something in the subject matter or context is inconsistent therewith, and the following words and phrases shall have the following meanings:

"**Additional Compensation**" has the meaning given to that term in Section 3.3;

"**Adjusted Rate**" has the meaning given to that term in Section 2.9;

"**Affiliate**" has the meaning given to that term in the *Securities Act* (Alberta);

"**Agreement**" means this Non-Revolving Term Loan Agreement and any schedules and exhibits hereto, as amended, supplemented, restated and replaced from time to time;

"**Applicable Law**" means:

- (i) any domestic or foreign statute, law (including common and civil law), treaty, code, ordinance, rule, regulation, restriction or by-law (zoning or otherwise);
- (ii) any judgment, order, writ, injunction, decision, ruling, decree or award;

- (iii) any regulatory policy, practice, guideline or directive; or
- (iv) any franchise, license, qualification, authorization, consent, exemption, waiver, right, permit or other approval of any Governmental Authority, binding on or affecting the Person referred to in the context in which the term is used or binding on or affecting the property of such Person, in each case whether or not having the force of law;

"**Associate**" has the meaning given to that term in the *Securities Act* (Alberta);

"**Business Day**" means a day, excluding Saturday and Sunday and statutory holidays in the Province of Alberta;

"**Change in Law**" means the occurrence, after the date of this Agreement, of any of the following:

- (i) the adoption or taking effect of any Applicable Law,
- (ii) any change in any Applicable Law or in the administration, interpretation or application thereof by any Governmental Authority; or
- (iii) the making or issuance of any Applicable Law by any Governmental Authority.

"**Closing Date**" means February [16], 2023 or such other date as the Borrower and the Lender may mutually agree in writing;

"**Collateral**" means the property described in and subject to the Liens, privileges, priorities and security interests purported to be created by any Security Document;

"**Contaminant**" includes, without limitation, any pollutant, dangerous substance, liquid waste, industrial waste, Hazardous Material, hazardous substance or contaminant including any of the foregoing as defined in any Environmental Law;

"**CWB Repayment Amount**" means all amounts payable by the Borrower to CWB on the Closing Date to ensure the termination of the CWB Loan and discharge of CWB of its security over the Borrower and its assets;

"**Default Interest Rate**" means 18% per annum;

"**Environmental Laws**" means any and all federal, provincial, state, local and foreign statutes, laws, regulations, ordinances, rules, decrees or other governmental restrictions or court orders relating to the environment, to the release of any materials into the environment or to the manufacture, processing, distribution, use, treatment, storage, disposal, transport or handling of pollutants, Contaminants, chemicals, industrial substances, toxic substances, hazardous substances or wastes;

"**Event of Default**" means any of the events or circumstances specified in Section 7.1;

"**Excluded Taxes**" means, with respect to the Lender, (i) Taxes imposed on or measured by its net income and any franchise Taxes imposed on it under the laws of any jurisdiction (or any political subdivision thereof) to which it is subject, (ii) any branch profits Taxes or any similar Tax imposed under the laws of any jurisdiction (or any political subdivision thereof) to which it is subject, (iii) Taxes imposed as a result of a present or former connection between the Lender and the jurisdiction imposing such Taxes (other than a connection arising solely from the Lender having executed,

delivered, become a party to, performed its obligations under, received payments under, received or perfected a security interest under, or engaged in any other transaction pursuant to, this Agreement), and (iv) Taxes imposed on amounts payable to or for the account of the Lender under a Loan Document arising as a result of the Lender (x) not dealing at arm's length (within the meaning of the *Income Tax Act* (Canada)) with an Obligor, or (y) being a "specified non-resident shareholder" of an Obligor or a non-resident person not dealing at arm's length with a "specified shareholder" of an Obligor (in each case within the meaning of the *Income Tax Act* (Canada));

"Financial Assistance" means providing or agreeing to provide (either directly or indirectly) financial assistance to any Person (including, without limitation, financial assistance by way of a share purchase, equity contribution, loan, guarantee or credit support arrangement of any nature whatsoever) the purpose of which is to assist such Person with the repayment of Indebtedness;

"GAAP" means, at the relevant time, International Financial Reporting Standards as issued by the International Accounting Standards Board, prepared on a consistent basis;

"Governmental Authority" means the government of Canada or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, stock exchange, court, central bank or other entity exercising executive, legislative, judicial, regulatory or administrative powers or functions of or pertaining to government;

"Guarantors" means at any time, collectively, all present and future Subsidiaries of the Borrower, as at the date hereof being AMI Aggregates Inc., AMI Silica Inc., AMI RockChain Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd. and TerraShift Engineering Ltd., but excluding AMI Silica LLC, and **"Guarantor"** means any one of them;

"Hazardous Materials" means any substance, product, liquid, waste, pollutant, chemical, contaminant, insecticide, pesticide, gaseous or solid matter, organic or inorganic matter, fuel, micro-organism, ray, odour, radiation, energy, vector, plasma, constituent or other material, which is or becomes listed, regulated or addressed under any Environmental Laws (including asbestos, cyanide, petroleum and polychlorinated biphenyls);

"Indebtedness" means, without duplication, with respect to any Person, (a) indebtedness for borrowed money, (b) obligations under capital leases and leases which should be treated as capital leases in accordance with GAAP, (c) obligations under letters of credit, guarantees, legally binding comfort letters or indemnities issued in connection therewith, whether issued for the benefit of any Borrower, a Subsidiary or another or others, (d) obligations arising pursuant to bankers' acceptances or indemnities issued in connection therewith, (e) obligations incurred under swap or hedging agreements relating to interest, currency or commodity price fluctuations, and (f) all other contingent obligations incurred for the purpose of or having the effect of providing Financial Assistance to another Person, including without limitation, guarantees, endorsements of bills of exchange (other than for collection or deposit in the ordinary course of business) and obligations to make advances or otherwise provide Financial Assistance to any other Person;

"Indemnitees" has the meaning given to such term in Section 9.3;

"Interest Payment Date" has the meaning given to such term in Section 2.7;

"Interest Rate" means 12% per annum;

"Investment" means, as applied to any Person (the **"investor"**) any direct or indirect (i) purchase or other acquisition by the investor of equity securities of any other Person or any beneficial interest therein, (ii) purchase or other acquisition by the investor of bonds, notes, debentures or other debt securities of any other Person or any beneficial interest therein, or (iii) loan or advance to any other Person;

"knowledge" and the phrase **"to the knowledge"**, as the case may be, and similar expressions shall mean and be interpreted, with respect to the Parties, as being the knowledge, information and belief of any Party after conducting a reasonable inquiry, and to the extent that such a reasonable inquiry was not conducted, to the knowledge, information and belief that a reasonable Person would have had if such a reasonable inquiry had been conducted;

"Lender Fees" has the meaning given to that term in Section 2.8;

"Lien" means any mortgage, debenture, pledge, hypothec, lien, charge, assignment by way of security, hypothecation, security interest, consignment by way of security or capital lease or any other security agreement, trust or arrangement having the effect of security for the payment of any debt, liability or other obligation;

"Loan" has the meaning given to such term Section 2.1;

"Loan Documents" means this Agreement, the Security Documents and all present and future agreements, documents, certificates and instruments delivered by the Obligors to the Lender pursuant to or in respect of this Agreement or the Security Documents, in each case as the same may from time to time be amended, and **"Loan Document"** means any one of the Loan Documents;

"Loan Fees" has the meaning given to such term in Section 9.1;

"Material Adverse Change" means any change of circumstances or event which is reasonably likely to have a Material Adverse Effect;

"Material Adverse Effect" means a material adverse effect (or a series of adverse effects, none of which is material in and of itself but which, cumulatively, result in a material adverse effect) on:

- (i) the business, operations, property, assets or financial condition of the Borrower considered as a whole;
- (ii) the ability of the Borrower, or any other Obligor, to perform its Obligations under any Loan Document to which they are a party;
- (iii) the validity of enforceability of any terms or provisions of this Agreement or any of the other Loan Documents;
- (iv) the ability of the Lender to enforce its rights under any Loan Document; or
- (v) the perfection or priority of the Lender's security interests,

provided that, notwithstanding the foregoing, normal course adverse price fluctuations in the commodity markets shall not, in and of themselves, be deemed to constitute a Material Adverse Effect;

"Maturity Date" has the meaning given to such term in Section 2.4;

"Obligations" means all obligations of the Obligors to the Lender under or in connection with this Agreement, the other Loan Documents or any other loan or the Security Documents (or any other security documents) entered into between the Lender and the Borrower as a result of, or in connection with, this Agreement from time to time;

"Obligors" means, collectively, the Borrower and the Guarantors and **"Obligor"** means any one of them;

"Parties" means the Lender and the Borrower;

"Permitted Indebtedness" means:

- (i) Indebtedness under this Agreement;
- (ii) trade payables and other accrued liabilities incurred in the ordinary course of business and payable in accordance with customary practices or which are not overdue for more than sixty (60) days or are being contested in good faith by appropriate proceedings and diligently conducted and as to which reserves are being maintained in accordance with GAAP;
- (iii) to the extent constituting Indebtedness, Taxes, assessments or governmental charges or levies which are being contested in good faith by appropriate proceedings and as to which reserves are being maintained in accordance with GAAP;
- (iv) the Indebtedness set out at Exhibit A hereto;
- (v) Indebtedness of an Obligor to another Obligor;
- (vi) Indebtedness of an Obligor secured by a Permitted Lien; and
- (vii) other Indebtedness of the Borrower which is subordinated and postponed to the Obligations on terms and conditions satisfactory to the Lender in its sole and absolute discretion.

"Permitted Liens" means, with respect to any Person, the following:

- (i) Liens for Taxes, rates, assessments or other governmental charges or levies not yet due, or for which instalments have been paid based on reasonable estimates pending final assessments, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
- (ii) undetermined or inchoate Liens, rights of distress and charges incidental to current operations that have not at such time been filed or exercised or that relate to obligations not due or payable, or if due, the validity of which is being contested diligently and in good faith by appropriate proceedings by that Person;
- (iii) reservations, limitations, provisos and conditions expressed in any original grant from the Crown or other grants of real or immovable property, or interests therein, that do not materially affect the use of the affected land for the purpose for which it is used by that Person;
- (iv) licenses, easements, rights-of-way, servitudes and rights in the nature of easements (including licenses, easements, rights-of-way and rights in the nature of easements for railways,

sidewalks, public ways, sewers, drains, gas, steam and water mains or electric light and power, or telephone and telegraph conduits, poles, wires and cables) that do not materially impair the use of the affected land for the purpose for which it is used by that Person;

- (v) title defects, irregularities or other matters relating to title that are of a minor nature and that in the aggregate do not materially impair the use of the affected property for the purpose for which it is used by that Person;
- (vi) the right reserved to or vested in any Governmental Authority by the terms of any lease, license, franchise, grant or permit acquired by that Person or by any statutory provision to terminate any such lease, license, franchise, grant or permit, or to require annual or other payments as a condition to the continuance thereof;
- (vii) Liens resulting from the deposit of cash or securities at any time in connection with contracts, tenders or expropriation proceedings, or to secure workmen's compensation, unemployment insurance, surety or appeal bonds, costs of litigation when required by law, Liens and claims incidental to current construction, mechanics', warehousemen's, carriers' and other similar Liens, and public, statutory and other like obligations incurred in the ordinary course of business;
- (viii) Liens to secure its assessments or current obligations which are not at the time overdue or otherwise dischargeable by the payment of money, and which are incurred in the ordinary course of its business under workers' compensation laws, unemployment insurance or other social security legislation or similar legislation, provided that such liens are in amounts commensurate with such current obligations;
- (ix) security given to a public utility or any Governmental Authority when required by such utility or authority in connection with the operations of that Person in the ordinary course of its business;
- (x) the Lien created by a judgment of a court of competent jurisdiction, as long as the judgment is being contested diligently and in good faith by appropriate proceedings by that Person and does not result in an Event of Default;
- (xi) purchase money security interests, capital leases and finance leases which, unless otherwise consented to by the Lender, do not at any time secure obligations exceeding \$50,000 in the aggregate;
- (xii) Liens identified in Exhibit B; and
- (xiii) the security evidenced by the Security Documents;

"Person" means any individual or corporation, partnership, firm, trust, incorporated or unincorporated association, Governmental Authority, joint venture, limited liability company, association, trust, unlimited liability company, joint stock company or other entity of any kind;

"Pledged Equity Interests" has the meaning given to such term in Section 4.1(a);

"Prepayment Notice" has the meaning given to such term in Section 2.6;

"**Release**" means discharge, spray, inject, inoculate, abandon, deposit, spill, leak, seep, pour, emit, empty, throw, dump, place and exhaust, and when used as a noun has a similar meaning;

"**Representatives**" means, with respect to any Person, any of such Person's, or its Affiliates', directors, officers, employees, general partners, Affiliates, direct or indirect shareholders, members or limited partners, legal counsel, accountants, financial and other professional advisors;

"**Security Documents**" has the meaning given to such term in Section 4.1.

"**Subsidiary**" has the meaning given to that term in the *Securities Act* (Alberta);

"**Taxes**" means all past, present and future taxes, charges, fees, levies, imposts and other assessments, including all income, sales, use, goods and services, harmonized sales, value added, capital, capital gains, alternative, net worth, transfer, profits, withholding, payroll, employer health, excise, real property and personal property taxes, and any other taxes, customs duties, fees, assessments, or similar charges in the nature of a tax, including Canada Pension Plan and provincial pension plan contributions, employment insurance payments and workers' compensation premiums, together with any instalments with respect thereto, and any interest, fines and penalties with respect thereto, imposed by any Governmental Authority (including federal, state, provincial, municipal and foreign Governmental Authorities), and whether disputed or not; and

"**TSX-V**" has the meaning given to such term in Section 10.8.

1.2 Headings and Table of Contents

The headings, the table of contents and the Article and Section titles are inserted for convenience of reference only and shall not affect the construction or interpretation of this Agreement.

1.3 References

Unless something in the subject matter or context is inconsistent therewith, all references to Articles, Sections, subsections and Exhibits are to Articles, Sections, subsections and Exhibits to this Agreement. The words "hereto", "herein", "hereof", "hereunder", "herewith" and similar expressions mean and refer to this Agreement.

1.4 Rules of Interpretation

In this Agreement, unless otherwise specifically provided, the singular includes the plural and vice versa, "month" means calendar month, "quarter" means calendar quarter, and "in writing" or "written" includes printing, typewriting, or any electronic means of communication capable of being visibly reproduced at the point of reception, including email. Any references herein to any agreements or documents shall mean such agreements or documents as amended, supplemented, restated or otherwise modified from time to time in accordance with the terms hereof and thereof. Any references herein to any legislation, statutory instrument or regulation or a section or other provision thereof, unless otherwise specified, is a reference to the legislation, statutory instrument, regulation, section or other provision as amended, restated or re-enacted from time to time. Any references herein to a Party to this Agreement includes that Party's successors and permitted assigns.

1.5 Generally Accepted Accounting Principles

Each accounting term used in this Agreement, unless otherwise defined herein, has the meaning assigned to it under GAAP consistently applied.

1.6 Time

Unless otherwise provided herein, all references to a time in this Agreement shall mean local time in Calgary, Alberta.

1.7 Payment for Value

All payments required to be made hereunder shall be made for value on the required day in same day immediately available funds.

1.8 Currency

Unless otherwise specified in this Agreement, all references to currency (without further description) are to lawful money of Canada.

ARTICLE 2 THE LOAN

2.1 The Loan

Relying on each of the representations and warranties set out in Article 5 and subject to the terms and conditions of this Agreement, the Lender hereby agrees to make a non-revolving term loan available to the Borrower in the principal amount of \$2,000,000 (the "**Loan**").

2.2 Purpose

The proceeds of the Loan are being used by the Borrower to repay the CWB Loan, for certain capital expenditures, as agreed between the Lender and the Borrower, and general working capital purposes.

2.3 Advance

Concurrently with closing on the Closing Date, the Lender will transfer, in immediately available funds (i) the CWB Repayment Amount directly to CWB for and on behalf of the Borrower in full repayment and discharge of the CWB Loan, and (ii) the full amount of the Loan, less the CWB Repayment Amount and, at the option of the Lender, less the Lender Fees.

2.4 Repayment on Maturity

The Obligations shall be repaid in full on June 30, 2023 (the "**Maturity Date**").

2.5 Account of Record

The Lender will open and maintain books of account evidencing the advance of the Loan and all other amounts owing by the Borrower or any other Obligor to the Lender hereunder. The Lender will enter in the foregoing accounts details of all amounts from time to time owing, paid or repaid by the Borrower hereunder. The information entered in the foregoing accounts will constitute *prima facie* evidence of the outstanding Obligations of the Borrower or any other Obligor to the Lender hereunder as such may increase or decrease over the term of the Loan. Notwithstanding anything set out in the records of the Borrower or any other Obligor, the Obligations of the Obligors will be as reflected in the accounts maintained pursuant to this Section 2.5 and in the event that there is a discrepancy between the records of the Borrower or any other Obligor and the amounts indicated in such accounts, the accounts shall, in all cases, prevail (absent manifest error). The

accounts maintained pursuant to this Section 2.5 may be audited or reviewed by the Borrower or the Borrower's Representatives at any time and from time to time.

2.6 Prepayment

At any time, following April 30, 2023, upon not less than five (5) days' prior written notice (a "**Prepayment Notice**"), the Borrower may, without penalty, prepay all but not less than all of the Loan together with any Loan Fees and any remaining unpaid and accrued interest thereon to the date of such repayment in immediately available funds.

2.7 Interest on the Loan

Until the Maturity Date but subject to this Section 2.7, the Borrower will pay interest on the Loan at the Interest Rate. Other than as set forth in this Section 2.7, such interest will be payable monthly in arrears on the last Business Day of each month (each, an "**Interest Payment Date**") for the period from and including the date of the advance of the Loan or the previous Interest Payment Date as applicable to the current Interest Payment Date and will be calculated on the principal amount of the Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be. Where there is an Event of Default, the Borrower will pay interest on the Loan at the Default Interest Rate (in substitution for the Interest Rate), such interest will be payable on the Interest Payment Date for the period from and including the date of the Event of Default or the previous Interest Payment Date as applicable to the current Interest Payment Date or the date the Event of Default has ceased, as applicable, and will be calculated on the principal amount of the Loan outstanding during such period and on the basis of the actual number of days elapsed in a year of 365 days or 366 days, as the case may be.

2.8 Lender Fees

On the Closing Date, the Borrower will reimburse the Lender for reasonable fees and expenses (including fees of counsel, expenses in respect of due diligence, administrative charges and bank costs) incurred by the Lender in connection with this Agreement and the provision of the Loan to the Borrower up to an aggregate amount of \$30,000 (the "**Lender Fees**"). The reimbursement required pursuant to this Section 2.8 may, at the option of the Lender, be offset from the amount that the Lender has agreed to advance to the Borrower pursuant to Section 2.3.

2.9 Maximum Rate Permitted by Law

Under no circumstances shall the Lender be entitled to receive nor shall any of them in fact receive a payment or payment of interest, fees or other amounts under this Agreement at a rate that is prohibited by Applicable Law. Accordingly, notwithstanding anything herein or elsewhere contained, if and to the extent that under any circumstances, the effective annual rate of "interest" (as defined in section 347 of the *Criminal Code of Canada*) received or to be received by the Lender (determined in accordance with such section) on any amount of "credit advanced" (as defined in that section) pursuant to these presents or any agreement or arrangement collateral hereto entered into in consequence or implementation hereof would, but for this Section 2.9, be a rate that is prohibited by Applicable Law, then the effective annual rate of interest, as so determined, received or to be received by the Lender on such amount of credit advanced shall be and be deemed to be adjusted to a rate that is one whole percentage point less than the lowest effective annual rate of interest that is so prohibited (the "**Adjusted Rate**"); and, if the Lender has received a payment or partial payment which would, but for this Section 2.9, be so prohibited then any amount or amounts so received by the Lender in excess of the Adjusted Rate shall and shall be deemed to have comprised a credit to be applied to subsequent payments on account of interest, fees or other amounts due to the Lender at the Adjusted Rate.

2.10 Waiver

To the extent permitted by Applicable Law, any provision of the *Judgment Interest Act* (Alberta) and the *Interest Act* (Canada) which restricts the rate of interest on any judgment debt shall be inapplicable to this Agreement and is hereby waived by the Borrower.

ARTICLE 3 PAYMENT

3.1 Time, Place and Currency of Payment

Payments of principal, interest, fees and all other Obligations pursuant to this Agreement shall be paid prior to 4:30 p.m. (Calgary time) on the day such amount is due. All payments shall be made to the Lender by way of electronic funds transfer to an account at a Canadian financial institution designated by the Lender in writing to the Borrower for the purpose of receiving payments hereunder or as otherwise directed by the Lender.

3.2 No Set-off

The Borrower and all other Obligors, as applicable, shall make all payments to the Lender without set off or counterclaim.

3.3 Increased Costs

If:

- (a) the Lender is required to undertake any actions or participate in any process with or in respect of any Governmental Authority or the TSX-V in connection with the matters contemplated by this Agreement; or
- (b) after the date hereof, any Change in Law will:
 - (i) impose, modify or deem applicable any reserve, special deposit, compulsory loan, insurance charge or similar requirement against assets of, deposits with or for the account of, or credit extended or participated in by, the Lender;
 - (ii) subject the Lender to any additional Taxes (other than Excluded Taxes) on payment of the Obligations, or change the basis of taxation of payments to the Lender in respect thereof; or
 - (iii) impose on the Lender any other condition, cost or expense affecting this Agreement or the Loan,

and the result of any of the foregoing will be to materially increase the cost to the Lender of making or maintaining the Loan (or of maintaining its obligation to make the Loan) or to materially reduce the amount of any sum received or receivable by the Lender hereunder (whether of principal, interest or any other amount) (the "**Additional Compensation**"), then the Lender shall promptly notify the Borrower of the Additional Compensation required and, within ten (10) Business Days after receipt thereof, the Borrower will pay to the Lender such additional amount or amounts as will compensate the Lender for such additional costs incurred or reduction suffered. Any notice by the Lender pursuant to this Section 3.3 will include sufficiently detailed information (and calculation) respecting the basis

for the Additional Compensation required. Provided however that, notwithstanding the foregoing, the Lender shall not be entitled to Additional Compensation for any period more than ninety (90) days prior to the date of such notice or where the amounts comprising the Additional Compensation have already been satisfied by the Borrower pursuant to the application of another Section of this Agreement. The Lender shall endeavour to minimize the incidence of any Additional Compensation and the Lender shall use its reasonable efforts to reduce the amount of Additional Compensation payable pursuant to this Section 3.3; provided that the Lender shall have no obligation to expend its own funds, suffer any economic hardship or take any action detrimental to its interests in connection therewith.

Subject to the foregoing, failure or delay on the part of the Lender to demand compensation pursuant to this Section 3.3 will not constitute a waiver of the Lender's right to demand such compensation.

ARTICLE 4 SECURITY

4.1 Security

As general and continuing security for the payment and performance of the Obligations, Borrower shall, and shall cause each of the other Obligor to execute and deliver the following (the "**Security Documents**") to the Lender on the Closing Date:

- (a) a general security agreement from the Borrower creating a first priority ranking security interest over all of the Borrower's present and after-acquired personal property, assets and undertaking and proceeds, including without limitation the equity interest of the Borrower in the share capital of each of the Guarantors and AMI Silica LLC (the "**Pledged Equity Interests**");
- (b) a guarantee from each of the Guarantors; and
- (c) a general security agreement from each of the Guarantors,

in each case, in a form and on the terms satisfactory to the Lender, acting reasonably.

4.2 After-Acquired Property and Further Assurances

The Borrower will, and will cause each of the Guarantors to, from time to time execute and deliver all such further deeds or other instruments of conveyance, assignment, transfer, mortgage, pledge or charge in connection with all property acquired by the Borrower after the date hereof, or as may be required to properly perfect the Lien of the Lender in any property.

4.3 Conditions Subsequent

Within fifteen (15) days of the Closing Date, the Borrower shall, and shall cause each of the other Obligor to, execute and deliver the following to the Lender:

- (a) all applicable original share certificates and accompanying executed stock transfer power of attorneys (undated) in respect of all equity interests pledged by the Borrower in the capital of the Guarantors and AMI Silica LLC; and
- (b) all other agreements, instruments, certificates, resolutions and documents as may be reasonably requested by the Lender in connection with Section 4.3(a), including without

limitation any control agreements as may be required by the Lender to obtain control of the applicable equity interests.

ARTICLE 5 REPRESENTATIONS AND WARRANTIES

5.1 Representations and Warranties of the Borrower

To induce the Lender to enter into this Agreement, the Borrower represents and warrants to the Lender, except as disclosed in writing to the Lender, acknowledging that the Lender is relying on such representations and warranties in entering into this Agreement and advancing the Loan hereunder on the Closing Date, the following:

- (a) **Formation, Organization and Power:** each of the Obligors is a corporation validly subsisting under the laws of the Province of Alberta and AMI Silica LLC is a limited liability company validly subsisting under the laws of the State of North Dakota. Each of the Obligors, and AMI Silica LLC, is duly registered and qualified to carry on business in all jurisdictions where the character of the properties owned by it or the nature of the business transacted by it makes such registration or qualification necessary and has the full corporate or other power and capacity to own, lease or hold its properties and assets and conduct its business as presently conducted;
- (b) **Authority:** the execution, delivery and performance by each of the Obligors of the Loan Documents to which they are a party (i) have been duly authorized by all necessary corporate action, (ii) are within their corporate power and capacity, (iii) do not violate any provision of Applicable Law or of their articles, by-laws or other constating documents, (iv) do not result in the breach of or constitute a default or require any consent under, or result in the creation of any Lien upon any of their property or assets pursuant to, any indenture or other agreement or instrument to which it is a party or by which it or its property may be bound or affected, other than in favour of the Lender or pursuant to the Security Documents, and (v) do not require any license, consent or approval of or advance notice to or advance filing with any Governmental Authority that has not already been received;
- (c) **Enforceability:** each Loan Document constitutes a legal, valid and binding obligation of each of the Obligors who is a party thereof, enforceable against such Obligors in accordance with its terms, except as enforceability may be limited by general principles of equity (regardless of whether enforcement is sought in a proceeding in law or at equity) and bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by moratorium laws from time to time in effect;
- (d) **Financial Condition:** there has been no Material Adverse Change since the date of the most recently completed financial statements of the Borrower (whether annual or quarterly) that were filed on the System for Electronic Document Analysis and Retrieval and such financial statements present fairly, in all material respects, the consolidated financial positions and results of operations and cash flows of the Borrower as of the applicable periods in accordance with GAAP;
- (e) **Budget and Forecast Information:** all written or formally presented information (including that disclosed in all financial statements) pertaining to the Obligors (other than projections) that has been or will be made available to the Lender, taken as a whole, is or will be, when furnished, complete and correct in all material respects and does not or will not, when

furnished, contain any untrue statement of a material fact or omit to state a material fact necessary in order to make the statements contained therein not materially misleading in light of the circumstances under which such statements are made. The projections that have been or will be made available to the Lender by the Borrower or any Representative of the Borrower have been or will be prepared in good faith based upon reasonable assumptions, and there are no statements or conclusions in such projections, forecasts, or budgets which are based upon or include information known to the Borrower to be misleading in any material respect or which fail to take into account material information known to the Borrower regarding the matters reported therein. The Borrower believes that the forecasts and budgets provided by or on behalf of the Borrower to the Lender are reasonable and attainable, it being recognized that projections as to future events are not to be viewed as facts and that the actual results during the period or periods covered by such forecasts and budgets may differ from the projected results included in such forecasts and budgets and such differences may be material;

- (f) **Litigation:** there are no suits or proceedings (including proceedings by or before any arbitrator, government commission, board, bureau or other administrative agency) pending or, to the knowledge of the Borrower, threatened against or affecting any Obligor, that are reasonably likely to cause, either separately or in the aggregate, a Material Adverse Effect;
- (g) **Compliance with Laws:** each of the Obligors is in compliance with all Applicable Laws except to the extent any failure to be so in compliance would not reasonably be expected to constitute or cause a Material Adverse Effect;
- (h) **Environmental Matters:** the Borrower has obtained all permits, licenses and other authorizations which are required for its property, business or assets under all applicable Environmental Laws and is in compliance with all Environmental Laws and all terms and conditions of all such permits, licenses and authorizations, except to the extent any failure to have obtained any such permit, license or other authorization or to be so in compliance would not reasonably be expected to constitute or cause a Material Adverse Effect;
- (i) **Environmental Condition of Properties:**
 - (i) no property (or interest in a property) of any Obligor is the subject of any outstanding orders from a government agency or otherwise alleging violation of any Environmental Laws;
 - (ii) there has been no Release of any Contaminants at, on or under any property or project of any Obligor; and
 - (iii) each Obligor has been issued, and is in compliance with, all permits, certificates, approvals, licenses and other authorizations under any Environmental Laws to carry on its business,

except where any non-compliance of the matters above in this subsection (i) would not reasonably be expected to have a Material Adverse Effect;

- (j) **Environmental Claims:** there is no claim, action, prosecution or other proceeding of any kind pending or, to the knowledge of the Borrower, threatened against any of the Obligors or any of their assets or properties before any Governmental Authority which: (i) relates to any non-compliance with any Environmental Law; or (ii) relates to any Release from its lands,

properties operations (or any lands, properties or operations in which it holds an interest) of a Contaminant into the natural environment, where, in each case, if adversely determined would reasonably be expected to have a Material Adverse Effect, and there are no circumstances of which it is aware which might give rise to any such prosecution or other proceeding. The Obligors have no material contingent liability in connection with any Release of any Hazardous Materials into the environment except contingent liabilities which would not reasonably be expected to result in remedial obligations having a Material Adverse Effect, assuming disclosure to the applicable Governmental Authority of all relevant facts, conditions and circumstances, if any, pertaining to such Release;

- (k) **Hazardous Materials Disposal:** the Obligors have taken all reasonable steps necessary to determine and have determined that no Hazardous Materials have been disposed of or otherwise released on or to any property of the Obligors (whether owned, leased or operated) other than in compliance with Environmental Laws, except to the extent the failure to do so would not reasonably be expected to have a Material Adverse Effect or which would not reasonably be expected to result in remedial obligations having a Material Adverse Effect, assuming disclosure to the applicable Governmental Authority of all relevant facts, conditions and circumstances, if any, pertaining to the relevant property;
- (l) **Title to Assets:** each Obligor has good, valid and marketable title to all of its material assets and properties (both real and personal) and except for Permitted Liens, such assets and properties (both real and personal), are not subject to any Liens and all assets of each Obligor are in reasonable condition and repair, ordinary wear and tear excepted and are adequate for the purposes for which they are now used and for the development, construction, growth and maintenance of the business of each Obligor in all material respects;
- (m) **Infrastructure and Assets:** each Obligor has all of the material services, utilities, ingress and egress roadways, means of transportation, rights of access and passage, equipment and materials or supplies necessary for the operations of the Obligor to develop, operate and maintain their respective businesses in material compliance with Applicable Law and the plans and budgets for each such Obligor as most recently presented to the Lender by the Borrower;
- (n) **Taxes:** all Obligors have filed or caused to be filed when due all Tax returns and reports required to have been filed and have paid or caused to be paid when due all material Taxes required to have been paid by it (including all instalments with respect to the current period) and have made adequate provision for Taxes for the current period, except Taxes that are being contested in good faith by appropriate proceedings and for which such Obligor, as applicable, has set aside on its books adequate reserves;
- (o) **Liens:** other than in respect of the CWB Loan (which Liens will be removed promptly following the payment by the Lender of the CWB Repayment Amount) there are no Liens against any Obligor other than Permitted Liens;
- (p) **Conduct of Business:** no Obligor is in violation of any agreement, mortgage, franchise, licence, judgment, decree, order, statute, statutory trust, rule or regulation relating in any way to itself or to the operation of its business or to its property or assets except to the extent any such violation would not reasonably be expected to constitute or cause a Material Adverse Effect. Each Obligor holds all licenses, certificates of approval, approvals, registrations, permits and consents which are required to operate its businesses where they are currently being operated except where the failure to have such licenses, certificates of approval, approvals,

registrations, permits and consents could not reasonably be expected to have a Material Adverse Effect. Each Obligor is in compliance with all such licenses, certificates of approval, approvals, registrations, permits and consents except to the extent any failure to be so in compliance would not reasonably be expected to constitute or cause a Material Adverse Effect;

- (q) **Casualties:** since September 30, 2022, neither the business nor the properties of any Obligor has been affected in a manner that has had, or would reasonably be expected to have, a Material Adverse Effect as a result of any fire, explosion, earthquake, flood, drought, windstorm, accident, strike or other labour disturbance, embargo, requisition or taking of property or cancellation of contracts, permits or concessions by any domestic or foreign Governmental Authority, riot, activities of armed forces, or acts of God or of any public enemy and there is no expropriation or condemnation or similar proceeding, actual or, to the knowledge of the Borrower, threatened or reason to believe such notice is pending or threatened, against any owned (partially owned) or leased lands of any Obligor, or any material part thereof;
- (r) **Employees:** none of the employees of any Obligor is subject to any collective bargaining agreement and, to the knowledge of the Borrower, there are no strikes, slowdowns, work stoppages or controversies pending against the Obligors, or their respective employees, which would reasonably be expected to have, either individually or in the aggregate, a Material Adverse Effect. Each of the Obligors has withheld from each payment to each of their respective officers, directors and employees the amount of all Taxes required to be withheld therefrom and has paid the same to the proper taxation or other receiving authority in accordance with Applicable Law. No Obligor is subject to any material claim by or liability to any of their respective officers, directors or employees for salary (including vacation pay) or benefits which would rank in whole or in part *pari passu* with or prior to the Liens created by the Security Documents, other than in respect of Permitted Liens or any claims or liabilities arising in the ordinary course under Applicable Law;
- (s) **Anti-Corruption and Trade Compliance Practices:** the Obligors and their directors, officers, employees, agents, consultants and Representatives conduct and at all times have conducted the business in compliance with Applicable Law related to anti-bribery, anti-corruption, money laundering, export restrictions, anti-boycott regulations and embargo regulations and all Applicable Law which imposes economic sanctions or prohibits the sale of any good or service to, or the purchase of any good or service from, any Person or other Governmental Authority and no action, suit, proceeding or investigation involving the same has been brought, is pending or, to the knowledge of the Borrower, threatened against any Obligor or any of their respective directors, officers, employees, agents, consultants and Representatives;
- (t) **Projects, Real Property and Leases:** all owned and leased property of the Obligors as set out in the Borrower's most recent annual information form dated April 28, 2022 provides all real property rights necessary for the development, operation and maintenance of the business, operations and projects of the Obligors (whether on its own or in conjunction with one or more partners) in all material respects. With respect to owned real property, the Borrower and/or the applicable Guarantor, as applicable, has full and unfettered ownership thereto subject only to Permitted Liens and any leases in respect of the properties of the Obligors are valid and enforceable in all material respects, in full force and effect, in good standing and free from any material breach or default;

- (u) **No Insolvency:** none of the Obligor:
- (i) has applied for or consented to the appointment of a receiver, trustee or liquidator of itself or of all or a substantial part of its assets;
 - (ii) is unable, or has admitted in writing its inability or failure, to pay its debts generally as they become due;
 - (iii) has made a general assignment for the benefit of creditors;
 - (iv) has committed an act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or made any filing, or become subject to any proceedings under the *Companies' Creditors Arrangement Act* (Canada), or any legislation similar or analogous to the foregoing;
 - (v) has commenced any cause, proceeding or other action under any other law relating to bankruptcy, insolvency, reorganization or relief of debtors seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts or an arrangement with creditors or taking advantage of any insolvency law or proceeding for the relief of debtors, or filed an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency proceeding; or
 - (vi) has taken corporate action for the purpose of effecting any of the foregoing;
- (v) **Material Contracts:** each of the material contracts of the Obligor is in full force and effect, and no Obligor is under or in breach of any term or condition of any material contract that would reasonably be expected to have a Material Adverse Effect, nor is the Borrower aware of any default under or breach of any term or condition of any material contract by any other party thereto that would reasonably be expected to have a Material Adverse Effect, nor is the Borrower aware of any event or circumstance that has occurred which, but for the passage of time or the giving of notice, or both, would constitute a default under any material contract that would reasonably be expected to have a Material Adverse Effect;
- (w) **Project Approvals:** all material project approvals and authorizations have been duly obtained, taken, given or made, are valid and in full force and effect and are free from conditions or requirements that have not been met or complied with in any material respect, as and when required pursuant to the terms thereof, except to the extent any failure to so obtain, given or made would not reasonably be expected to constitute or cause a Material Adverse Effect. All project assets are in reasonable condition and repair, ordinary wear and tear excepted and are adequate for the purposes for which they are being used;
- (x) **Pledged Equity Interests:** the Borrower is the registered and beneficial owner of the Pledged Equity Interests, which, other than in respect of the CWB Loan (which Liens will be removed promptly following the payment by the Lender of the CWB Repayment Amount), are free and clear of any Liens other than the Permitted Liens, and no person has any right or option to acquire any of the Pledged Equity Interests (other than as may be set out in any applicable unanimous agreement among all equity holders where such equity holders include the Lender);

- (y) **Hedging and Factoring:** none of the Obligors currently has outstanding hedge or swap arrangements having a value of over \$50,000 (individually or in the aggregate) nor has any Obligor entered into a factoring arrangement having a value of over \$50,000 (individually or in the aggregate); and
- (z) **No Omissions:** none of the representations or warranties set out in this Section 5.1 omit to state any material fact necessary to make any such representation or warranty not misleading in any material respect.

The representations, warranties and covenants of the Borrower, and right of the Lender to rely thereon and to indemnification with respect thereto, shall not be affected or deemed waived by reason of any investigation made by or on behalf of the Lender or by reason of the fact that the Lender knew or should have known that any such representation or warranty is, was or might be inaccurate or by reason of the Lender's waiver of any condition set forth in Section 8.1 as the case may be. The representations and warranties set out in this Section 5.1 shall survive the execution and delivery of this Agreement and the Closing Date until the date on which all amounts owing by any Obligor to the Lender pursuant to the terms of this Agreement have been satisfied in full.

5.2 Representations and Warranties of the Lender

The Lender represents and warrants to the Borrower, acknowledging that the Borrower is relying on such representations and warranties in entering into this Agreement and receiving the Loan hereunder, the following:

- (a) **Capacity and Authority:** the Lender is a limited liability company that has been duly created and is validly subsisting under the laws of the State of Delaware and has the requisite power, authority, legal capacity and competence to enter into, perform and be bound by the Loan Documents and all necessary approvals of its directors, trustees, fiduciaries, shareholders, partners, stakeholders, holders of voting securities or otherwise have been given and obtained; and
- (b) **Enforceability:** this Agreement constitutes a legal, valid and binding obligation of the Lender, enforceable against the Lender in accordance with its terms, except as enforceability may be limited by general principles of equity (regardless of whether enforcement is sought in a proceeding in law or at equity) and bankruptcy, insolvency, reorganization or similar laws affecting creditors' rights generally and by moratorium laws from time to time in effect.

ARTICLE 6 COVENANTS OF THE BORROWER

6.1 Positive Covenants

During the term of this Agreement, the Borrower covenants with the Lender that, unless otherwise waived by the Lender in writing:

- (a) **Payment and Performance:** the Borrower shall, and shall cause each of the Guarantors to, duly and punctually pay all sums of money due hereunder;
- (b) **Existence:** the Borrower shall maintain its corporate existence under the laws of the Province of Alberta and register and qualify and remain registered and qualified to carry on business in all jurisdictions where the character of the properties owned by it or the nature of the

business transacted by it makes such registration or qualification necessary and shall do the same (with such modifications as may be necessary based on type of entity and jurisdiction) in respect of each of the Guarantors and shall use commercially reasonable efforts to do the same (with such modifications as may be necessary based on type of entity and jurisdiction) AMI Silica LLC;

- (c) **Maintenance of Properties and Projects:** the Borrower shall, and shall cause its Guarantors to and use commercially reasonable efforts to cause AMI Silica LLC to, maintain and operate their properties, projects and operations in accordance with standard industry practice;
- (d) **General Insurance:** the Borrower shall, and shall cause the Guarantors to and shall use commercially reasonable efforts to cause AMI Silica LLC to, maintain in full force and effect with insurers of recognized standing such policies of insurance on such terms and in such amounts covering their properties and operations as is customarily maintained by Persons engaged in the same or similar business in the localities where their properties and operations are located and, subject to Section 6.1(n), so long as principal remains outstanding under the Loan, the Lender shall be named as first loss payees thereunder;
- (e) **Compliance with Applicable Law:** the Borrower shall (and shall cause each of the Guarantors to and use commercially reasonable efforts to cause AMI Silica LLC to):
 - (i) comply in all respects with all Applicable Laws, including, without limitation, Environmental Laws, except to the extent any failure to do so would not reasonably be expected to constitute or cause a Material Adverse Effect; and
 - (ii) observe and conform in all respects to all valid requirements of any Governmental Authority relative to any of its assets and all covenants, terms and conditions of all agreements upon or under which any of its assets are held, except to the extent any failure to be so in compliance would not reasonably be expected to constitute or cause a Material Adverse Effect;
- (f) **Notice of Environmental Damage:** the Borrower shall, promptly upon acquiring knowledge thereof (or any other Obligor acquiring knowledge thereof), provide the Lender with written notice of the discovery of any Contaminant or Release of a Contaminant into the environment from or upon any land or property owned, operated or leased by it, where such Contaminant or Release of a Contaminant would reasonably be expected to constitute or cause a Material Adverse Effect;
- (g) **Additional Information:** the Borrower shall, upon the request of the Lender (acting reasonably and on prior written notice), make available for discussion with the Lender at all reasonable times the senior officers primarily responsible for its activities and affairs;
- (h) **Notice of Material Adverse Effect:** the Borrower shall provide prompt notice to the Lender of any matter of which it is aware that has or could reasonably be expected to have a Material Adverse Effect;
- (i) **Notice of Defaults:** the Borrower shall provide prompt notice to the Lender of the occurrence of any Event of Default;
- (j) **Notice of Litigation:** the Borrower shall provide prompt notice to the Lender on becoming aware of the occurrence of any litigation, dispute, arbitration or other proceeding which could

have a reasonable likelihood of success against it and the result of which if determined adversely would be a judgment or award against it (a) in excess of \$50,000 or (b) would result in a Material Adverse Effect, and from time to time provide the Lender with all reasonable information requested by the Lender concerning the status of any such proceeding;

- (k) **Obligations and Taxes:** the Borrower shall pay or discharge, or cause to be paid or discharged, before the same will become delinquent (i) all Taxes imposed upon it or upon its income or profits or in respect of its business or property and file all tax returns in respect thereof, (ii) all lawful claims for labour, materials and supplies, (iii) all required payments under any of its Indebtedness, and (iv) all other obligations; provided, however that it will not be required to pay or discharge or to cause to be paid or discharged any such amount so long as the validity or amount thereof is being contested in good faith by appropriate proceedings or where such failure to pay or discharge would not reasonably be expected to have a Material Adverse Effect;
- (l) **Maintenance of Books and Records:** the Borrower shall keep proper and adequate records and books of account in which true and complete entries will be made in a manner sufficient to enable the preparation of financial statements in accordance with GAAP;
- (m) **Further Assurances:** the Borrower shall, within ten (10) Business Days after notice thereof (or such later period as may be consented to by the Lender) from the Lender, do all such further acts and things, consent to all such further registrations against any of its real and personal property, and execute and deliver all such further documents as shall be reasonably required by the Lender in order to maintain the Lender's priority as against other lenders and creditors, to ensure the terms and provisions of the Loan Documents are fully performed and carried out and to ensure that each material provision of each Loan Document is and continues to be a valid and binding obligation of the Borrower as applicable enforceable against it in accordance with its terms;
- (n) **CWB Loan:** the Borrower shall use its best efforts to ensure that the CWB Loan is terminated, all security thereunder is entirely released and discharged and the Lender is listed as first loss payee on all of the Obligor's insurance policies as soon as practicable following the Closing Date;
- (o) **Access to Property:** the Borrower will allow Representatives of the Lender to have access to its property, and the property of each of the other Obligors, at reasonable times and upon reasonable notice during normal business hours; and
- (p) **Reporting:** the Borrower shall deliver to the Lender:
 - (i) monthly financial statements of the Borrower, along with an aged listing of accounts receivable and accounts payable, to be provided within thirty (30) days of each month end;
 - (ii) monthly and quarterly budgets of the Borrower along with associated variance reports; and
 - (iii) such other information respecting the financial condition of the Obligors as may be reasonably requested by the Lender from time to time.

6.2 Negative Covenants

During the term of this Agreement, the Borrower covenants with the Lender that:

- (a) **Restriction on Liens:** except for Permitted Liens or as would not otherwise result in a Material Adverse Effect, the Borrower shall not create, incur, assume or suffer to exist any Lien, upon or with respect to any of its undertaking, properties, rights or assets, whether now owned or hereafter acquired;
- (b) **Restriction on Asset Sales:** the Borrower shall not, and shall cause each of the Guarantors to not, directly or indirectly, make any sale, exchange, license, lease, transfer, assignment or other disposition or encumbrance of any of its assets (including, but not limited to, real or personal property or mixed, tangible or intangible) to any Person without the written consent of the Lender, which consent may be unreasonably withheld or delayed or provided only on specified conditions or limitations, other than (i) inventory (within the meaning of GAAP) sold in the normal course of business, (ii) any sale, trade or other disposition of any tools, implements, equipment or machinery which may have become worn out, unserviceable, obsolete, unsuitable or unnecessary in operations, (iii) abandonments, surrenders or terminations of property, rights or interests in accordance with sound industry practice, and (iv) any sale or other disposition from one Obligor to another Obligor;
- (c) **Dividends and Distributions:** the Borrower shall not repay any shareholder loans or declare or pay any dividends, redeem shares or otherwise make any capital or other distributions or pay any amounts in respect of capital to its security holders or pay any management fees, including, but not limited to, any principal amounts owing by the Borrower to any shareholders, except with the prior written consent of the Lender (which consent may be unreasonably withheld or delayed); provided however that, for so long that no Event of Default has occurred and is continuing, the Borrower shall be permitted to make scheduled monthly repayments of interest only on existing shareholder loans for up to an amount each month that is the lesser of (x) a 14% interest rate per annum on the outstanding amount of the loan, and (y) \$30,000;
- (d) **Issuance or Sale of Securities:** the Borrower may not, and it will cause the other Obligors to not, issue, trade, sell or distribute any of its securities with or to any Person (including, without limitation, by way of prospectus offering or private placements or through any securities-based compensation plan) without the prior written consent of the Lender;
- (e) **Cash Accounts:** none of the Obligors may open a new bank account in any jurisdiction without providing prior written notice and details of the same to the Lender;
- (f) **Executive Officers:** without the prior written approval of the Lender (not to be unreasonably withheld, conditioned or delayed), the Borrower may not make any change (including by way of termination, hiring, demotion, promotion but other than resignations) to the individuals who currently act as the Borrower's Chief Executive Officer and Chief Financial Officer, nor shall it be permitted to make any changes to the compensation of such individuals;
- (g) **Transactions with Affiliates or Associates:** no Obligor will engage in any transaction with any Affiliate or Associate on terms which are less favorable to it than would be obtainable at the time in comparable transactions with any Person which is not an Affiliate or Associate;

- (h) **Financial Assistance and Investments:** other than in the circumstances of Permitted Indebtedness, neither the Borrower nor any other Obligor shall make any Investments or provide any Financial Assistance to any Person without the prior written consent of the Lender (not to be unreasonably withheld, conditioned or delayed);
- (i) **Protection of Security:** neither the Borrower nor any other Obligor shall do any thing or undertake any action which does or could reasonably be expected to (whether after a lapse or time or both) adversely impact the security of the Lender as provided by the Security Documents, invalidate any aspect of a Security Document or cause a Lien on any asset, property or project of any Obligor that is not a Permitted Lien, without the prior written consent of the Lender acting in its sole discretion (unreasonably or not);
- (j) **Limitation on Indebtedness:** without the prior written consent of the Lender (which may be unreasonably withheld or conditioned) neither the Borrower nor any other Obligor, shall create, incur, assume or suffer to exist any additional Indebtedness other than Permitted Indebtedness;
- (k) **No Change of Corporate Matters:** the Borrower shall not continue into any other jurisdiction, change its name or otherwise amend any of its constating documents in any manner that is or could be prejudicial to the interests of the Lender without the prior written approval of the Lender;
- (l) **No Change in Business:** unless previously approved by the Lender (in its sole discretion) in writing, the Borrower shall not make any change the nature of its business nor shall it permit any change in the nature of the business of any Guarantor or AMI Silica LLC;
- (m) **Use of Loan Funds.** the Borrower must not use the advance of funds being provided to the Borrower by the Lender hereunder in any manner other than that agreed to between the Parties in writing;
- (n) **Expenditures:** unless previously presented to the Lender in a budget and business plan presented to, and approved by the Lender (acting reasonably), no acquisitions or other expenditures outside of the ordinary course of business and as contemplated in such budget or business plan may occur (both in respect of the Borrower and in respect of each Guarantor); and
- (o) **Hedge Arrangements:** the Borrower shall not enter into or permit to be outstanding at any time any hedge or swap arrangement of any kind, unless such hedge or swap arrangement has been entered into by such Borrower *bona fide* and in good faith in the ordinary course of its business for the purpose of carrying on the same and not for speculative purposes and shall not enter into any factoring arrangements in an amount greater than \$50,000 (either individually or in the aggregate) without the prior written consent of the Lender.

**ARTICLE 7
EVENTS OF DEFAULT**

7.1 Events of Default

The occurrence of any one or more of the following events or circumstances constitutes an Event of Default under this Agreement:

- (a) **Non-Payment:** non-payment of principal, interest, fees or any other amounts outstanding under this Agreement when due where such non-payment continues for three (3) Business Days;
- (b) **Breach of Covenants:** if the Borrower or any other Obligor neglects to observe or perform any covenant or obligation herein contained or in respect of any Obligations (including its Security Documents) on its part to be observed or performed (other than a covenant or condition whose breach or default in performance is specifically dealt with elsewhere in this Section 7.1) and the Borrower or the applicable Obligor fails to remedy such default within ten (10) Business Days from the earlier of (i) the date the Borrower should reasonably have become aware of such default, and (ii) the date the Lender delivers written notice of the default to the Borrower;
- (c) **Representations and Warranties:** if any representation or warranty made by the Borrower in this Agreement, any Loan Document or in any certificate or other document at any time delivered hereunder to the Lender proves to have been incorrect or misleading in any material respect on and as of the date that it was made or was deemed to have been made and the Borrower fails to remedy such default within fifteen (15) Business Days of the occurrence of such event;
- (d) **Seizure of Property.** any property or project of an Obligor having a fair market value of \$50,000 in the aggregate or greater is seized (including by way of execution, attachment, garnishment, levy or distraint), or any Lien thereon securing Indebtedness in excess of \$50,000 (or its then equivalent in any other currency) is enforced, or such property has become subject to any charging order or equitable execution of a Governmental Authority, or any writ of execution or distress warrant exists in respect of any Obligor or the property or project of such Obligor having a fair market value of \$50,000 in the aggregate or greater, or any sheriff or other Person becomes lawfully entitled by operation of Applicable Law or otherwise to seize or distraint upon such property or project and in any case such seizure, enforcement, execution, attachment, garnishment, distraint, charging order or equitable execution, or other seizure or right, continues in effect and is not released or discharged for more than twenty (20) days or such longer period during which entitlement to the use of such property continues with such Obligor, and such Obligor is contesting the same in good faith and by appropriate proceedings, provided that if the property or project is removed from the use of such Obligor, or is sold, in the interim, such grace period shall cease to apply;
- (e) **Effect of Agreement.** this Agreement, any other Loan Document or any material obligation or other material provision hereof or thereof at any time for any reason terminates or ceases to be in full force and effect and a legally valid, binding and enforceable obligation of any Obligor, or is declared to be void or voidable or is repudiated by any Obligor, or the validity, legality or enforceability hereof or thereof is at any time contested by any Obligor, or any Obligor denies that it has any or any further liability or obligation hereunder or thereunder, or at any time it is unlawful for any Obligor to perform any of its material obligations hereunder or thereunder;

- (f) **Issues with Security.** any Lien purported to be created by any Security Document shall cease to be, or shall be asserted by any Person not to be, a valid, perfected, first priority (except as otherwise expressly provided in this Agreement or such Security Document) Lien in Collateral; provided that, (i) where such situation is solely the result of action or inaction of the Lender or its counsel, such situation will not constitute an Event of Default and (ii) where such situation is capable of remediation by an Obligor, then an Event of Default shall occur only where the relevant Obligor fails to do so to the satisfaction of the Lender within ten (10) Business Days of becoming aware of such circumstance;
- (g) **Voluntary Insolvency:** if the Borrower or any of the Guarantors:
- (i) applies for or consents to the appointment of a receiver, trustee or liquidator of itself or of all or a substantial part of its assets;
 - (ii) is unable, or admits in writing its inability or failure, to pay its debts generally as they become due;
 - (iii) make a general assignment for the benefit of creditors;
 - (iv) commits an act of bankruptcy under the *Bankruptcy and Insolvency Act* (Canada) or makes any filing, or becomes subject to any proceedings under the *Companies' Creditors Arrangement Act* (Canada), or any legislation similar or analogous to the foregoing;
 - (v) commences any cause, proceeding or other action under any existing or future law relating to bankruptcy, insolvency, reorganization or relief of debtors seeking to have an order for relief entered with respect to it, or seeking to adjudicate it a bankrupt or insolvent, or seeking reorganization, arrangement, adjustment, winding up, liquidation, dissolution, composition or other relief with respect to it or its debts or an arrangement with creditors or taking advantage of any insolvency law or proceeding for the relief of debtors, or files an answer admitting the material allegations of a petition filed against it in any bankruptcy, reorganization or insolvency proceeding; or
 - (vi) takes corporate action for the purpose of effecting any of the foregoing;
- (h) **Involuntary Insolvency:** if any cause, proceeding or other action shall be instituted after the date hereof in any court of competent jurisdiction, against the Borrower seeking in respect of it an adjudication in bankruptcy, reorganization, dissolution, winding up, liquidation, a composition or arrangement with creditors, a readjustment of debts, the appointment of a trustee, receiver, liquidator or the like of the Borrower or of all or any substantial part of its assets, or any other like relief in respect of it under any bankruptcy or insolvency law, and any such cause, proceeding or other action continues unstayed and in effect for a period of twenty (20) days after the institution thereof;
- (i) **Liens:** if any of the material property or assets of the Borrower shall be subject to any Lien other than a Permitted Lien and the Borrower fails to remove such Lien within ten (10) days of the Borrower becoming aware of the imposition of such Lien;

- (j) **Judgments:** if a judgment for any amount in excess of \$50,000 is obtained against the Borrower which remains unsatisfied and undischarged for a period of thirty (30) days or not otherwise effectively stayed;
- (k) **Writs:** if a writ, attachment, execution or similar process for any amount in excess of \$50,000 (other than a Permitted Lien) is levied against the property of the Borrower and such writ, attachment, execution or similar process is not released, satisfied, discharged, vacated or stayed within ten (10) days after its entry, commencement or levy;
- (l) **Material Adverse Effect:** if a Material Adverse Effect occurs; and
- (m) **CWB Loan:** if the Borrower fails to use its best efforts to ensure that the CWB Loan is terminated, all security thereunder is entirely released and discharged and the Lender is listed as first loss payee on all of the Obligor's insurance policies as soon as practicable following the Closing Date.

7.2 Acceleration and Enforcement

- (a) Upon and during the continuance of an Event of Default:
 - (i) the outstanding principal amount of the Loan and all other Obligations will, at the option of the Lender, become immediately due and payable with interest thereon, at the Default Interest Rate, to the date of actual payment thereof, all without notice, presentment, protest, demand, notice of dishonour or any other demand or notice whatsoever, all of which are hereby expressly waived by the Borrower; provided that, if any Event of Default described in Section 7.1(g) or 7.1(h) with respect to the Borrower occurs, the outstanding principal amount of the Loan and all other Obligations will automatically be and become immediately due and payable without any option of the Lender; and
 - (ii) the Lender may, in their discretion and in accordance with Sections 7.4, 7.5, 7.6, or 7.7, exercise any right or recourse and proceed by any action, suit, remedy or proceeding against the Borrower authorized or permitted by law for the recovery of all the Obligations to the Lender and, whether or not the Lender has exercised any of their rights under Section 7.2(a), proceed to exercise any and all rights hereunder and under the Security Documents; and
- (b) The Lender is not under any obligation to the Borrower or any other Person to realize upon any Collateral or enforce the Security Documents or any part thereof or to allow any of the Collateral to be sold, dealt with or otherwise disposed of. The Lender is neither responsible nor liable to the Borrower or any other Person for any loss or damage arising from such realization or enforcement or the failure to do so or for any act or omission on its part or on the part of any director, officer, employee, agent or adviser of the Lender in connection with any of the foregoing.

7.3 Waiver of Default

Any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement contained in the Loan Documents shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy to which the Lender may be lawfully entitled for the same default or breach, and any waiver by the Lender of the strict observance, performance or compliance

with any term, covenant, condition or agreement contained in the Loan Documents, and any indulgence granted thereby, shall be deemed not to be a waiver of any subsequent default. To the extent permitted by applicable law, the Borrower hereby waives any rights now or hereafter conferred by statute or otherwise which may limit or modify any of the Lender's rights or remedies under the Loan Documents.

7.4 Application of Payments Following Acceleration

Except as otherwise agreed to by the Lender in its sole discretion, any sum received by the Lender at any time after acceleration of the Loan pursuant to Section 7.2 or during the continuance of an Event of Default, shall be applied by the Lender in respect of each category of amounts set forth below, each such application to be made in the following order with the balance remaining after application in respect of each category to be applied to the next succeeding category:

- (a) first, in or towards payment of any fees or expenses then due and payable to the Lender hereunder;
- (b) second, in respect of amounts due and payable to the Lender as and by way of recoverable expenses hereunder;
- (c) third, in respect of amounts due and payable to the Lender by way of interest pursuant to Section 2.7;
- (d) fourth, in respect of any other amount not hereinbefore referred to in this Section which are then due and payable by the Borrower hereunder; and
- (e) fifth, in or towards repayment to the Lender of all other amounts then outstanding hereunder.

7.5 Remedies Cumulative

For greater certainty, it is expressly understood and agreed that the rights and remedies of the Lender under the Loan Documents are cumulative and are in addition to and not in substitution for any rights or remedies provided by law; any single or partial exercise by the Lender of any right or remedy for a default or breach of any term, covenant, condition or agreement therein contained shall not be deemed to be a waiver of or to alter, affect or prejudice any other right or remedy or other rights or remedies to which the Lender may be lawfully entitled for the same default or breach, and any waiver by the Lender of the strict observance, performance or compliance with any term, covenant, condition or agreement therein contained, and any indulgence granted thereby, shall be deemed not to be a waiver of any subsequent default. The Lender may to the extent permitted by applicable law, bring suit at law, in equity or otherwise for any available relief or purpose including but not limited to:

- (a) the specific performance of any covenant or agreement contained in the Loan Documents;
- (b) enjoining a violation of any of the terms of the Loan Documents;
- (c) aiding in the exercise of any power granted by the Loan Documents or by law; or
- (d) obtaining and recovering judgment for any and all amounts due in respect of the Loan or amounts otherwise due hereunder or under the Loan Documents.

7.6 Set-Off

In addition to any rights now or hereafter granted under Applicable Law and not by way of limitation of any such rights, the Lender is authorized at any time during the continuance of an Event of Default which has not theretofore been waived by the Lender without notice to the Borrower or to any other Person (any such notice being expressly waived by the Borrower), to set-off and to appropriate and to apply any and all deposits (general and special) and any other Indebtedness at any time held by or owing by the Lender to or for the credit of or the account of the Borrower against and on account of the Obligations of the Borrower to the Lender, including without limitation, all claims of any nature or description arising out of this Agreement or the Loan Documents, irrespective of whether or not the Lender has made any demand under this Agreement and although these obligations, liabilities or claims of the Borrower or any of them are contingent or unmatured.

7.7 Lender May Perform Covenants

If the Borrower shall fail to perform any covenant on its part herein contained, the Lender may perform any of the said covenants capable of being performed by them and, if any such covenant requires the payment or expenditure of money, it may make such payment or expenditure with their own funds. All amounts so paid by the Lender hereunder shall be repaid by the Borrower on demand therefor, and shall bear interest at the Interest Rate from the date paid by the Lender hereunder to and including the date such amounts are repaid in full by the Borrower.

ARTICLE 8 CONDITIONS TO CLOSING

8.1 Conditions to Closing

The obligations of the Lender to advance the Loan to the Borrower on the Closing Date shall not occur unless each of the conditions listed below is satisfied (or waived in writing) at or prior to 4:30 p.m. on February [15], 2023, and, in the event such conditions are not so satisfied or waived by such time, this Agreement shall terminate at such time.

- (a) **Receipt of Documentation.** The Borrower shall have received fully completed and executed copies of each of the Security Documents, and each of the Security Documents shall have been registered (or arrangements for registration satisfactory to the Lender shall have been made) in all offices in which, in the opinion of the Lender or its counsel, registration is necessary to perfect or render opposable to third parties the Liens intended to be created thereby, and the Security Documents and the Liens created thereby shall constitute a first ranking charge over the Collateral, subject to no other Liens except Permitted Liens and the Liens remaining as a result of the CWB Loan (which, following the payment of the CWB Repayment Amount, will be promptly discharged and all Liens associated with the CWB Loan will be terminated in accordance with the requirements of this Agreement). The Lender shall have received and be satisfied with the results of all personal property, real property, pending litigation, judgment, bankruptcy and other searches conducted by the Lender and its counsel with respect to the Obligors in all jurisdictions selected by the Lender and its counsel.
- (b) **Corporate Certificates.** The Lender shall have received:
 - (i) certified copies of the resolutions of the board of directors, general partner, or shareholders, as applicable, of each Obligor approving, as appropriate, the Loan, the Security Documents to be provided hereunder and all other documents, if any, to

which such Obligor is a party and evidencing authorization with respect to such documents; and

- (ii) a recent certificate of status, certificate of compliance, good standing certificate or analogous certificate for each Obligor to the extent available in the jurisdiction in which such Obligor is incorporated or formed.
- (c) **Fees.** The Lender shall have received all Lender Fees and any other fees owing to it pursuant to Section 3.3.
- (d) **Regulatory Approval; Consents; Waivers.** The Lender and the Borrower shall each be satisfied that: (a) all material authorizations, including those of the TSX-V (and any additional authorizations required by the TSX-V) and all material authorizations, orders, permits, approvals, grants, licences, consents, rights, franchises, privileges, directions or decrees of any Governmental Authority having jurisdiction over the Parties, having the force of Applicable Law have been obtained; and (b) all requisite corporate, partnership, shareholder and court approvals, as applicable, and all consents and waivers (the failure to obtain which would result in a breach or default under any material contract), have been obtained and are in full force and effect.
- (e) **No Material Adverse Change.** The Lender shall be satisfied that, since September 30, 2022, there shall not have occurred any event, development or circumstance that, individually or in the aggregate, has had or would reasonably be expected to have a Material Adverse Effect.
- (f) **Bring Down Certificate.** The Lender will have received an officer's certificate, executed by two officer's of the Borrower certifying that all of the representations and warranties given by the Borrower in Section 5.1 are true and correct in all respects on the Closing Date as if made on such date.
- (g) **Cancellation of CWB Loan.** The Borrower shall have made satisfactory arrangements for the repayment of all Indebtedness outstanding under the CWB Loan and, immediately upon the payment by the Lender to CWB as contemplated by Section 2.3 the CWB Loan shall be cancelled permanently such that no Obligor will have any Indebtedness or obligation remaining thereunder.
- (h) **Insurance.** The Lender shall have been provided with satisfactory evidence that it will be a named payee under the insurance policies of the Obligor within not more than five (5) Business Days from the Closing Date.
- (i) **Documentation.** The Lender shall have received such other documents and instruments as are customary for transactions of this type or as they may reasonably request.

ARTICLE 9 EXPENSES AND INDEMNITIES

9.1 Reimbursement of Expenses and Indemnity

All statements, reports, certificates, opinions and other documents or information required to be furnished to the Lender by the Borrower under this Agreement shall be supplied by the Borrower without cost to the Lender. In addition, the Borrower hereby agrees to pay promptly to the Lender, on demand in writing by the Lender, all reasonable expenses which are incurred from time to time by the Lender in respect of the

monitoring, including without limitation site visits (upon reasonable advance notice to any Borrower during regular business hours), or enforcement of this Agreement and any other Loan Documents (the "**Loan Fees**").

9.2 Illegality

If the introduction of or any change in Applicable Law, regulation, treaty or official directive, or regulatory requirement (whether or not having the force of law) or in the interpretation or application thereof by any court or by any Governmental Authority charged with the administration thereof, makes it unlawful, or prohibited for the Lender (acting reasonably and in good faith) to make, to fund or to maintain the Loan or a portion of the Loan or to perform their obligations under this Agreement, the Lender may, by written notice to the Borrower terminate their obligations under this Agreement to make the Loan or perform such obligations and the Borrower shall repay the Loan in a reasonably prompt period of time (or at the end of such period as the Lender in its discretion agrees acting in good faith) together with all accrued but unpaid interest and fees as may be to the date of payment.

9.3 General Indemnity

Except as otherwise provided for herein, the Borrower hereby covenants with the Lender that it shall at all times hereafter keep the Lender indemnified and held harmless from and against all suits (whether founded or unfounded), actions, proceedings, judgments, demands or claims instituted or made against the Lender, and all costs, losses, liabilities, damages and expenses (including all reasonable legal fees on a solicitor and his own client basis) incurred by the Lender, in any way relating to, arising out of, or incidental to (i) the Lender entering into or being a party of any of the Loan Documents, or by reason of their exercising or performing any right, power or obligation under any of the Loan Documents or in connection with their interest in any Lien granted under the Loan Documents, or (ii) the breach by or non-compliance with any Environmental Law by any mortgagor, owner or lessee of any property or any of the properties now or previously used by the Borrower (in each case, except to the extent that the Borrower is the prevailing party in any proceeding against the Lender and only to the extent that the same is incurred by the Lender as a result of entering into or being a party to the Loan Documents or exercising or performing any right, power or obligation thereunder). This indemnity shall extend to the Lender and the officers, directors, employees, shareholders and assignees of the Lender (collectively, the "**Indemnitees**") provided that this indemnity shall not apply to any matters caused by the gross negligence or wilful misconduct of the Indemnitees. This indemnity shall survive the termination of this Agreement.

ARTICLE 10 MISCELLANEOUS

10.1 Severability

Any provision of this Agreement which is or becomes prohibited or unenforceable in any jurisdiction does not invalidate, affect or impair the remaining provisions hereof in such jurisdiction and any such prohibition or unenforceability in any jurisdiction does not invalidate or render unenforceable such provision in any other jurisdiction.

10.2 Assignment

The Borrower may not assign or otherwise encumber its rights or obligations hereunder. Until April 30, 2023, the Lender may not assign or otherwise encumber its rights or obligations hereunder, provided that, at any time following April 30, 2023, the Lender may assign the Loan and the Loan Documents, or any matter related thereto upon providing the Borrower with five (5) Business Days prior written notice.

10.3 Survival of Undertakings

All covenants, undertakings, agreements, representations and warranties made pursuant to this Agreement shall survive the execution and delivery of this Agreement and continue in full force and effect until the full payment and satisfaction of all Obligations of the Borrower incurred pursuant to the Loan Documents and the termination of this Agreement.

10.4 Failure to Act

No failure, omission or delay on the part of the Lender or the Borrower in exercising any right, power or privilege hereunder shall impair such right, power or privilege or operate as a waiver thereof nor shall any single or partial exercise of any right, power or privilege preclude any further exercise thereof or the exercise of any other right, power or privilege.

10.5 Amendments

No amendment, waiver, discharge or termination of any provision of the Loan Documents shall in any event be effective unless it is in writing and then such amendment, waiver, discharge or termination will be effective only in the specific instance, for the specific purpose and for the specific length of time for which it is given.

10.6 Notice

If to the Lender:

121 – 48 Avenue SW
Williston, ND, 58801
USA

Attention: Jon McCreary, Chief Executive Officer
Email: jon@jmacresources.com

If to the Borrower or any of the other Obligor:

4409 94 Street NW
Edmonton, AB, T6E 6T7

Attention: Dana Archibald, Chief Executive Officer
Email: dana.archibald@athabascaminerals.com

Any such communication shall be deemed to have been validly and effectively given if (i) personally delivered, on the date of such delivery if such date is a Business Day and such delivery was made prior to 4:30 p.m. (Calgary time), otherwise on the next Business Day, (ii) transmitted by email on the Business Day following the date of transmission. Any Party may change its address for service from time to time by notice given in accordance with the foregoing and any subsequent notice shall be sent to the Party at its changed address. Telephonic notice shall not be effective until confirmed in writing by one of the foregoing means.

10.7 Further Assurances

The Borrower shall do all such further acts and things and execute and deliver all such further documents as shall be reasonably required in order to fully perform and carry out the terms of the Loan Documents.

10.8 Loan and Agreement Disclosure

Each of the Parties confirms its understanding that as a "reporting issuer" under Applicable Laws, the Borrower is required to make certain disclosures and report certain transactions to various Governmental Authorities and the public. In addition, each of the Parties confirms its understanding that, as the Borrower is a listed entity trading on the TSX Venture Exchange (the "**TSX-V**"), the Loan may be considered a "related party transaction" within the meaning of Multilateral Instrument 61-101 – *Protection of Minority Security Holders in Special Transactions*. In connection with these obligations, the Lender hereby consents to the disclosure to applicable Governmental Authorities, the TSX-V and the public of this Loan, the Agreement and related Loan Documents and any further information, including the identity and other identifying information of the Lender, as may be determined necessary, desirable or appropriate by the Borrower, acting reasonably, with respect to the aforementioned matters.

10.9 No Strict Construction

The Parties hereto have participated jointly in the negotiation and drafting of this Agreement. If an ambiguity or question of intent or interpretation arises, this Agreement shall be construed as if drafted jointly by the Parties and no presumption or burden of proof shall arise favouring or disfavouring any Party by virtue of the authorship of any provisions of this Agreement.

10.10 Governing Law

The Parties agree that this Agreement is conclusively deemed to be made under, and for all purposes to be governed by and construed in accordance with, the laws of the Province of Alberta and the federal laws of Canada applicable therein.

10.11 Whole Agreement

This Agreement (together with the other Loan Documents and the confidentiality agreement between the Borrower and the Lender dated February 1, 2023) constitutes the entire agreement between the Parties pertaining to the subject matter of this Agreement and cancels and supersedes all prior agreements, understandings, negotiations and discussions, whether oral or written. There are no conditions, warranties, representations or other agreements between the Parties in connection with the subject matter of this Agreement (whether oral or written, express or implied, statutory or otherwise) except as specifically set out in this Agreement or in such other applicable agreements.

10.12 Paramountcy

In the event of any conflict or inconsistency between the provisions of this Agreement and the provisions of any other Loan Document then, notwithstanding anything contained in such other Loan Document, the provisions contained in this Agreement shall prevail to the extent of such conflict or inconsistency and the provisions of such other Loan Document shall be deemed to be amended to the extent necessary to eliminate such conflict or inconsistency, it being understood that the purpose of the other Loan Documents is to add to, and not detract from, the rights granted to the Lender under this Agreement. If any act or omission of any or all of the Obligors is expressly prohibited under any other Loan Document, but this

Agreement does not expressly permit such act or omission, or if any act is expressly required to be performed under any other Loan Document but this Agreement does not expressly relieve any or all Obligors from such performance, such circumstance shall not constitute a conflict or inconsistency between the applicable provisions of such other Loan Document and the provisions of this Agreement.

10.13 Term of Agreement

The term of this Agreement is until the payment in full of all the Obligations of the Borrower incurred pursuant to this Agreement.

10.14 Time of Essence

Time shall be of the essence of this Agreement.

10.15 Counterpart Execution

This Agreement may be executed in any number of counterparts and by different Parties in separate counterparts, by original, portable document format (PDF), facsimile or electronic signature, each of which when so executed shall be deemed to be an original and all of which taken together shall constitute one and the same instrument.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the Parties hereto have caused this Agreement to be duly executed as of the date first above written.

ATHABASCA MINERALS INC., as Borrower

Per: *Dana Archibald*
Dana Archibald (Feb 23, 2023 16:46 MST)
Name: Dana Archibald
Title: Chief Executive Officer

JMAC ENERGY SERVICES LLC

Per: _____
Name: Jon McCreary
Title: Chief Executive Officer

EXHIBIT A
PERMITTED INDEBTEDNESS

- Shareholder loan agreements, dated December 31, 2022 bearing an aggregate principal amount of \$2,400,000, due April 1, 2024.
- Xerox Lease Order Agreement #1-28C4Y50 between the Borrower and Xerox Canada Ltd. dated June 21, 2019.
- Performance Bond No. CMS5169001 in the amount of \$500,000, between Trisura Guarantee Insurance Company as surety, the Borrower as principal and Her Majesty the Queen in right of the Province of Alberta as represented by the Minister of Alberta Environment and Parks as obligee.
- Bonding Facility dated July 25, 2020, in the amount of \$500,000 and in respect of the Coffey Lake Public Pit, issued by Trisura Guarantee Insurance Company to the Borrower.
- The CWB Loan.
- Commitment letter issued by Canadian Western Bank, dated September 8, 2021, in respect of letters of credit in the aggregate amount of \$1,054,430 and a business visa card facility in the amount of \$50,000.
- Account Performance Security Guarantee of Export Development Canada in favour of Canadian Western Bank, dated July 26, 2021.
- Lease of Office Space between Hoopp Realty Inc./ Les Immeubles Hoopp Inc., by its duly authorized agent, Triovest Realty Advisors Inc. as landlord and the Borrower as tenant, dated October 19, 2022.
- Offer to Lease between 1044155 Alberta Ltd. as Landlord and the Borrower as tenant, dated November 3, 2022 and accepted November 15, 2022.

**EXHIBIT B
PERMITTED LIENS**

[SEE ATTACHED]

[NTD: PPR searches for each Obligor to be attached.]







97738870_v(11)_JMAC-AMI Loan Agreement

Final Audit Report

2023-02-23

Created:	2023-02-23
By:	Cheryl Grue (cheryl.grue@athabascaminerals.com)
Status:	Signed
Transaction ID:	CBJCHBCAABAAHtE2dVThyt4T5pr4vEVhT1_1ayksiJQK

"97738870_v(11)_JMAC-AMI Loan Agreement" History

-  Document created by Cheryl Grue (cheryl.grue@athabascaminerals.com)
2023-02-23 - 11:44:40 PM GMT - IP address: 184.70.103.22
-  Document emailed to dana.archibald@athabascaminerals.com for signature
2023-02-23 - 11:45:18 PM GMT
-  Email viewed by dana.archibald@athabascaminerals.com
2023-02-23 - 11:45:56 PM GMT - IP address: 97.64.79.179
-  Signer dana.archibald@athabascaminerals.com entered name at signing as Dana Archibald
2023-02-23 - 11:46:56 PM GMT - IP address: 97.64.79.179
-  Document e-signed by Dana Archibald (dana.archibald@athabascaminerals.com)
Signature Date: 2023-02-23 - 11:46:58 PM GMT - Time Source: server- IP address: 97.64.79.179
-  Agreement completed.
2023-02-23 - 11:46:58 PM GMT

**Amendment to the Operating Agreement for AMI Silica LLC, a limited liability
company formed under the laws of North Dakota**

February 16, 2022

We the Members of AMI Silica LLC do hereby amend the Operating Agreement as of this fifteenth day of February, 2022. This amendment of Article XIV, Miscellaneous Provisions, shall contain the following additional terms:

JMAC: JMAC Energy Services LLC and its affiliates

AMI: Athabasca Minerals Inc. and its affiliates

Parties: AMI and JMAC excluding AMI Silica LLC.

AMI Silica: 50/50 Joint Venture Partnership between AMI and JMAC

14.16 Most Favored Buyer Pricing. JMAC shall have the right and benefit of Most Favored Buyer pricing for any sand product purchases up to 50,000 tons per month, meaning that the JMAC shall have the right to purchase sand products FOB the Taylor or Humbird transload facilities at the lowest prices available to any AMI Silica LLC customer at that time, including customers with long-term agreements or spot pricing.

14.17 Rail Car Preference. AMI Silica will provide rail cars to JMAC for shipping sand to North Dakota for transportation up to 50,000 tons per month if demand is present. Over 50,000 tons per month will be allocated as determined by AMI Silica LLC. JMAC will endeavor to return rail cars as quickly as reasonably possible.

14.18 First Right of Refusal and Terms for Debt or Equity Capital. JMAC Energy Services and its affiliates shall have the first right of refusal to provide either/both debt or equity capital to AMI Silica LLC, at terms equivalent to the most favorable available to AMI Silica LLC in bona fide offers from reputable capital sources.

14.19 Accounting and Cash Management. All accounting and cash management duties of AMI Silica LLC shall be performed by JMAC Energy Services LLC or its affiliates. These services shall be performed at cost plus 15%.

14.20 Management Fee. AMI will provide Management and Engineering Support Services to AMI Silica LLC at cost plus 15%.

14.21 Exclusive Sales Territories. JMAC shall have the exclusive right to transload sand products in the state of North Dakota.

All other sections of the Operating Agreement remain in full force and effect.

The undersigned have duly executed this amendment to the Operating Agreement on the date first written above.

JMAC Energy Services LLC

By: _____

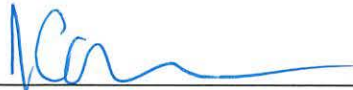
Jon McCreary, President

Athabasca Minerals Inc.

By:  _____

Robert Beekhuizen, CEO

This is Exhibit "I"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT is made effective the 28th day of February, 2023

BETWEEN:

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

- and -

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

WHEREAS the Borrower and the Secured Party have entered into a non-revolving term loan agreement dated February 28th, 2023 (the "**Loan Agreement**") wherein the Secured Party has agreed to advance the sum of \$2,000,000 to the Borrower on certain terms and conditions;

AND WHEREAS in accordance with the Loan Agreement, and in support of the indebtedness, liabilities and obligations of the Borrower under the Loan Agreement, the Borrower has agreed to grant the Secured Party the Security contemplated in this General Security Agreement;

NOW THEREFORE in consideration of the covenants and agreements herein contained, the Loan Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Borrower covenants and agrees with the Secured Party as follows:

**ARTICLE 1
SECURITY INTEREST**

1.1 For valuable consideration, the Borrower hereby:

- (a) grants, assigns, transfers, mortgages and charges to the Secured Party, as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a continuing security interest in, all of the Borrower's present and after-acquired personal property including without limitation all Goods (including Inventory and Equipment), Accounts, Chattel Paper, Investment Property, Documents of Title, Instruments, Intangibles, Money and Securities now owned or hereafter acquired by or on behalf of the Borrower (and all rights and interests now or hereafter held by or on behalf of the Borrower with respect to any of the foregoing) and also including without limitation, all Proceeds of and attachments and accessions to any of the foregoing; and
- (b) charges as and by way of a floating charge (including, without limitation, a floating charge on the land) to and in favour of the Secured Party all its undertaking, property (real and personal) and assets, both present and after-acquired, of every nature and kind and wherever situate, other than such of its undertaking, property (real and personal) and assets as are otherwise validly and effectively subject to the mortgage, charge and security interest contained in paragraph (a) above,

(all of the undertaking, property and assets described in this Section 1.1 is herein collectively called the "**Collateral**").

- 1.2 The grants, assignments, transfers, mortgages, charges and security interests to and in favor of the Secured Party herein created are collectively called the "**Security Interest**" or the "**Security**".
- 1.3 The Security Interest granted hereby shall not extend or apply to, and the Collateral shall not include, the last day of the term of any lease or agreement therefor; however, the Borrower will hold such last day in trust for the Secured Party and upon the enforcement of the Security Interest the Borrower will assign the same as directed by the Secured Party.
- 1.4 If the grant of the Security Interest with respect to any contract, agreement, intellectual property right, permit or license under Section 1.1 would result in the termination or breach of such contract, agreement, intellectual property right, permit or license, or is otherwise prohibited or ineffective (whether by the terms thereof or under applicable law), then such contract, agreement, intellectual property right, permit or license shall not be subject to the Security Interest but shall be held in trust by the Borrower for the benefit of the Secured Party and, on the exercise by the Secured Party of any of its rights or remedies under this General Security Agreement following an Event of Default (as defined in the Loan Agreement) shall be assigned by the Borrower as directed by the Secured Party; provided that the Security Interest of the Borrower shall attach to such contract, agreement, intellectual property right, permit or license, or applicable portion thereof, immediately at such time as the condition causing such termination or breach is remedied.
- 1.5 The Security Interest does not attach to Consumer Goods.
- 1.6 The terms "**Accessions**", "**Accounts**", "**Chattel Paper**", "**Investment Property**", "**Consumer Goods**", "**Documents of Title**", "**Equipment**", "**Goods**", "**Instruments**", "**Intangibles**", "**Inventory**", "**Money**", "**Proceeds**", and "**Securities**", including any singular or plural variation thereof whenever used herein shall be interpreted pursuant to the respective meanings given to such words in the *Personal Property Security Act (Alberta)*, as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto, is herein referred to as the "**PPSA**".
- 1.7 Any reference hereinafter to the "Collateral" shall, unless the context otherwise requires, be deemed a reference to the "Collateral or any part thereof".
- 1.8 Should an Event of Default (as defined in the Loan Agreement) occur and the Secured Party determine to enforce upon its security interest in the real property of the Borrower, the Secured Party will be entitled to use any and all remedies available to it under this General Security Agreement as well as the applicable laws of the jurisdictions in which such land is situate to enforce its security rights hereunder.

ARTICLE 2 INDEBTEDNESS SECURED

- 2.1 The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Borrower to the Secured Party (including interest thereon) pursuant to or arising in connection with the Loan Agreement, whether present or future, direct or indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Borrower be bound alone or with another or others and whether as principal or surety and including, without limitation, the Obligations (as defined in the Loan Agreement) (hereinafter collectively called the "**Indebtedness**"). If the Security Interest in the Collateral is not sufficient, in case of an Event of

Default (as defined in the Loan Agreement), to satisfy all Indebtedness of the Borrower, the Borrower acknowledges and agrees that the Borrower shall continue to be liable for any Indebtedness remaining outstanding and the Secured Party shall be entitled to pursue full payment thereof.

ARTICLE 3 COVENANTS

3.1 So long as this General Security Agreement remains in effect the Borrower covenants and agrees:

- (a) to pay all taxes, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Borrower or the Collateral as and when the same become due and payable, provided, however that it will not be required to pay any such amount so long as the validity or amount thereof is being contested in good faith by appropriate proceedings or where such failure to pay would not reasonably be expected to have a Material Adverse Effect (as defined in the Loan Agreement);
- (b) that in the event the Borrower amalgamates or undertakes an arrangement or other combination transaction with any other company or companies it is the intention of the parties that the term "Borrower" when used herein shall apply to each of the amalgamating, arranged or combined companies and to the amalgamated company, such that the Security Interest granted hereby:
 - (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating, arranged or combined companies and the amalgamated, arranged or combined company at the time of amalgamation, arrangement or combination and to any "Collateral" thereafter owned or acquired by the amalgamated, arranged or combined company; and
 - (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating, arranging or combining companies and the amalgamated, arranged or combined company to the Secured Party at the time of amalgamation, arrangement or combination and any "Indebtedness" of the amalgamated, arranged or combined company to the Secured Party thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating, arranging or combining with the Borrower, and by the amalgamated, arranged or combined company, at the time of amalgamation, arrangement or combination, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated, arranged or combined company when such becomes owned or is acquired; and
- (c) to comply in all material respects with all of the terms and provisions to be performed or observed by it under the Loan Agreement and all other documents and agreements related thereto.

ARTICLE 4 ENFORCEMENT

4.1 The occurrence of an Event of Default (as defined in the Loan Agreement), shall constitute default hereunder and is herein referred to as "**default**".

- 4.2 In the event of a default, the Security shall immediately become enforceable.
- 4.3 Whenever the Security has become enforceable, the Secured Party may realize upon the Security and, to the extent permitted by law, enforce the Secured Party's rights by the following remedies:
- (a) entry into possession;
 - (b) sale in accordance with Section 4.4 hereof;
 - (c) proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this General Security Agreement includes a receiver and manager) of all or any part of the Collateral;
 - (d) proceedings in any court of competent jurisdiction for sale (including, without limitation, sale by way of a deferred payment arrangement) or foreclosure or lease of all or any part of the Collateral;
 - (e) filing of proofs of claim and other documents to establish the Secured Party's claims in any proceeding relative to the Borrower;
 - (f) appointment by instrument in writing of a receiver of all or any part of the Collateral and removal or replacement from time to time of any such receiver; and
 - (g) any other remedy or proceeding authorized or permitted hereby or by law or equity.

Such remedies may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Secured Party however created.

- 4.4 If the Security hereby constituted shall become enforceable, the Secured Party may seize or otherwise take possession of the Collateral or any part thereof, and to the extent permitted by law, sell and dispose of the Collateral on such terms as the Secured Party determines appropriate in its sole discretion, either as a whole or in separate parcels, at a public auction or by tender or by private sale at such time or times as the Secured Party may determine, with or without notice to the Borrower, and may make any such sale, either for cash or credit or part cash and part credit or any other arrangement providing for deferred payment, and with or without advertisement, and with or without a reserve bid as the Secured Party may see fit, and the Secured Party may also rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred hereunder and adjourn any such sale from time to time and may execute and deliver to the purchaser or purchasers of the Collateral or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, the Secured Party being hereby constituted the irrevocable attorney of the Borrower for the purpose of making such sale and executing such deeds or conveyances, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Borrower and all other persons claiming all or any part of the Collateral by, from, through or under the Borrower.
- 4.5 Any receiver appointed by instrument in writing shall, to the extent permitted by law, have power to:
- (a) take possession of, collect and recover all or any part of the Collateral and, for that purpose, to take proceedings in the name of the Borrower or otherwise and to make any arrangement or compromise;

- (b) from time to time and without any previous notice or demand and free of charge, enter upon or into and occupy and use all or any part of the premises, buildings, plants and undertakings of or occupied or used by the Borrower without being or being deemed to be a mortgagee in possession;
- (c) carry on or concur in carrying on all or any part of the business of the Borrower;
- (d) borrow or raise money on all or any part of the Collateral for such purposes as may be approved by the Secured Party; and
- (e) sell or lease or concur in selling or leasing all or any part of the Collateral without notice and in such manner as may seem advisable to the receiver (including, without limitation, sale by way of deferred payment arrangement), on commercially reasonable terms and to effect such sale by conveying in the name and on behalf of the Borrower or otherwise.

The receiver shall be vested with such other discretions and powers as are granted in the instrument of appointment and any supplement thereto including, without limitation, any or all of the powers of the Secured Party.

- 4.6 To the extent permitted by law, the receiver shall for all purposes be deemed to be the agent of the Borrower and not of the Secured Party, and the Borrower shall be solely responsible for the receiver's acts or defaults and remuneration. All amounts from time to time received by the Secured Party or the receiver may be applied as follows: firstly, in discharge of all operating expenses and other outgoings affecting the Collateral; secondly, in keeping in good standing all mortgages, charges and liens on the Collateral having priority over the Security; thirdly, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Secured Party of the amounts payable hereunder; fifthly, to such reserves against potential claims that the Secured Party or the receiver in good faith believes should be maintained, until such potential claims are settled; and the balance, if any, shall be paid to the Borrower.
- 4.7 Any failure or omission by the Secured Party to present this General Security Agreement for payment will not invalidate or adversely affect in any way any demand for payment or enforcement proceeding taken under this General Security Agreement, provided that the Secured Party or their respective agents are, at the time of demand or enforcement, in possession of this General Security Agreement and have not assigned their rights under it.
- 4.8 Before and after default in the payment of any money payable by the Borrower hereunder, the Secured Party will have, in addition to the rights specifically provided in this General Security Agreement, the rights of a Secured Party under the PPSA and any similar or other legislation of any jurisdiction where and to the extent that the laws of such jurisdiction apply to this General Security Agreement or the rights of the Secured Party as Secured Party hereunder, as well as the rights recognized at law and in equity. No right of the Secured Party in regard to this General Security Agreement will be exclusive of or dependent upon or merge in any other such right, and one or more of such rights may be exercised separately or in combination from time to time.
- 4.9 None of the Secured Party, a receiver appointed in regard to this General Security Agreement or any agent of the Secured Party (including any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other parties in respect of any of the Collateral.

- 4.10 The Borrower shall be responsible for (and will indemnify the Secured Party for) all costs, charges and expenses (including, without limitation, lawyers' fees as between solicitor and his own client on a full indemnity basis) incurred by the Secured Party in connection with the enforcement of the Security as contemplated herein.

**ARTICLE 5
CONTINUOUS INTEREST AND INTEREST IN ADDITION**

- 5.1 The Security Interest is a continuing charge and shall secure all present and future Obligations.
- 5.2 The Security is in addition and without prejudice to any other security now or hereafter held by the Secured Party. Neither the taking and holding of any Collateral nor the obtaining of any judgment by the Secured Party under any other document, agreement or rights shall operate to prejudice the Security and rights of the Secured Party constituted by this General Security Agreement.

**ARTICLE 6
PRIORITY**

- 6.1 Notwithstanding anything herein to the contrary, the Security provided for in this General Security Agreement shall not be subordinate to any other security granted by the Borrower or to any other lenders (whether third-party lenders or otherwise) of the Borrower in respect of any interests in the Collateral, other than in respect of Permitted Liens (as defined in the Loan Agreement).
- 6.2 The Borrower shall not take any action whereby the priorities and rankings of the Security may be impaired or defeated and hereby covenants (now and in the future) to enter into and execute all contracts, documents, certificates, instruments, agreements or otherwise, written or unwritten, and take any and all action as may be considered necessary or desirable in respect of the priority of the Secured Party as contemplated in this Article 6.

**ARTICLE 7
NEGOTIABLE INSTRUMENT**

- 7.1 This General Security Agreement is not a negotiable instrument.

**ARTICLE 8
WAIVER AND NOTICE**

- 8.1 No consent or waiver by the Secured Party shall be effective unless made in writing and signed by the Secured Party.
- 8.2 Notices required or permitted under this General Security Agreement may be given to each party at the following addresses, subject to the right of each party to specify a different address:

If to the Secured Party:

121 – 48 Avenue SW
Williston, ND, 58801
USA

Attention: Jon McCreary, Chief Executive Officer

Telephone: _____
Email: jon@jmacresources.com

If to the Borrower:

4409 94 Street NW
Edmonton, AB, T6E 6T7

Attention: Dana Archibald, Chief Executive Officer
Telephone: _____
Email: dana.archibald@athabascaminerals.com

Any such notices shall be deemed to have been validly and effectively given if (i) personally delivered, on the date of such delivery if such date is a Business Day (as defined in the Loan Agreement) and such delivery was made prior to 4:30 p.m. (Calgary time), otherwise on the next Business Day (as defined in the Loan Agreement), or (ii) transmitted by email on the Business Day (as defined in the Loan Agreement) following the date of transmission.

**ARTICLE 9
GOVERNING LAW**

- 9.1 This General Security Agreement is governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein.

**ARTICLE 10
BINDING EFFECT AND ASSIGNMENT**

- 10.1 This General Security Agreement shall enure to the benefit of the Secured Party and its successors and assigns and shall be binding on the Borrower and its successors and assigns.
- 10.2 This General Security Agreement is not assignable by the Borrower without the express prior written consent of the Secured Party. Until April 30, 2023, the Secured Party may not assign or otherwise encumber its rights or obligations hereunder, provided that, at any time following April 30, 2023, the Secured Party may assign this General Security Agreement and Security pursuant hereto upon providing the Borrower with five (5) Business Days (as defined in the Loan Agreement) prior written notice.

**ARTICLE 11
ACKNOWLEDGMENT AND WAIVER**

- 11.1 The Borrower hereby acknowledges receipt of a copy of this General Security Agreement and waives the right to sign or receive a copy of any financing statement or financing change statement, or any statement issued by any registry that confirms any registration of a financing statement or financing change statement, relating to this General Security Agreement.

**ARTICLE 12
SEVERABILITY**

- 12.1 If any term, covenant or condition of this General Security Agreement or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent the remainder of this General Security Agreement or the application of such term, covenant or condition to a party or a circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this General Security Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

**ARTICLE 13
DISCHARGE**

- 13.1 The Secured Party agrees that upon the full, final and indefeasible payment, satisfaction and discharge of all Indebtedness, the Secured Party shall provide notice thereof to the Borrower and thereafter the Secured Party shall discharge all security registrations they shall have made against the Collateral in connection with this General Security Agreement, and this General Security Agreement shall thereupon terminate.

[Remainder of page intentionally left blank]

This General Security Agreement may be executed in any number of counterparts and may be delivered originally, by facsimile, by email in portable document format ("**PDF**"), or other electronic means, and each such facsimile copy or PDF copy or other electronic copy when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Execution may be accomplished by wet ink signing, insertion by the signatory of an image of a wet ink signature, or by means of an electronic signature.

IN WITNESS WHEREOF the parties have executed this General Security Agreement effective as of the date first written above.

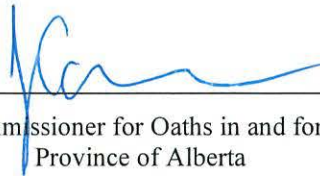
JMAC ENERGY SERVICES LLC

DocuSigned by:
Jon McCreary
Per: _____
Name: Jon McCreary
Title: Chief Executive Officer

ATHABASCA MINERALS INC.

Dana Archibald
Per: [Dana Archibald \(Feb 23, 2023 17:17 MST\)](#)
Name: Dana Archibald
Title: Chief Executive Officer

This is Exhibit "J"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

CONTINUING GUARANTEE

TO: JMAC ENERGY SERVICES LLC
(the "Lender")
121 – 48 Avenue SW
Williston, ND, 58801
USA

FROM: AMI AGGREGATES INC. (the "Guarantor")

WHEREAS the Lender and Athabasca Minerals Inc. (the "**Borrower**") are parties to a loan agreement dated February 28, 2023 (the "**Loan Agreement**") whereby the Lender has agreed to advance the sum of \$2,000,000 to the Borrower on certain terms and conditions;

AND WHEREAS the Guarantor will derive substantial direct and indirect benefits and advantages from the credit provided by the Lender to the Borrower, and it will be to the Guarantor's direct interest and economic benefit to deliver this Continuing Guarantee (this "**Guarantee**") in order to allow the Borrower to obtain the advance in the manner contemplated by the Loan Agreement;

NOW THEREFORE in consideration for the substantial direct and indirect benefits and advantages the Guarantor will realize from the Loan Agreement and the credit provided by the Lender to the Borrower and for other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor agrees as follows:

1. The Guarantor hereby guarantees unconditionally and promises to pay to the Lender all existing and future debts and liabilities of the Borrower to be paid to the Lender under the Loan Agreement, whether such debts and liabilities are direct or indirect or by way of guarantee or otherwise, whether incurred alone or with another or others, whether heretofore or hereafter incurred, whether voluntarily or involuntarily incurred, whether due or not due, and whether absolute, inchoate, contingent, liquidated or unliquidated, and including, without limitation, interest accrued or to accrue on all such debts and liabilities at the same rate or rates payable by the Borrower, both before and after default, maturity, and judgment, whether such judgment be obtained against the Borrower and the Guarantor or any of them (including, without limitation, the Obligations (as defined in the Loan Agreement), owed by the Borrower to the Lender) (collectively, the "**Indebtedness**").
2. Without further authorization from or notice to the Guarantor, the Lender may amend the terms of the Loan Agreement or grant credit to or otherwise deal or continue to deal with the Borrower from time to time, either before or after revocation hereof, in such manner, upon such terms and for such time as the Lender may deem best, and with or without notice to the Guarantor the Lender may alter, compromise, accelerate, extend or change the time or manner for the payment by the Borrower or by any person or persons liable to the Lender of any of the Indebtedness hereby guaranteed, increase or reduce the interest rate thereon, release or add one or more guarantors or endorsers, accept additional or substituted security or release or subordinate any security. No exercise or non-exercise by the Lender of any right hereby given to the Lender, no dealing by the Lender with the Borrower or any guarantor or endorser, no change, impairment or suspension of any right or remedy the Lender

may have against any person or persons shall in any way affect any of the Guarantor's obligations hereunder or any security furnished by the Guarantor or give the Guarantor any recourse against the Lender. No loss of or in respect of any securities received by the Lender from the Borrower or any other person, whether occasioned by the Lender's fault or otherwise, shall in any way limit or lessen the liability of the Guarantor under this Guarantee.

3. This Guarantee is a continuing, absolute and unconditional guarantee and shall cover and secure any ultimate balance of the Indebtedness owing to the Lender by the Borrower, but the Lender shall not be obliged to take any action or exhaust its recourse against the Borrower, any other guarantor under the Loan Agreement or under any other guarantee agreement, or against any other person, firm or corporation, or under any securities the Lender may hold at any time, nor to value such securities, before requiring or being entitled to payment from the Guarantor of all Indebtedness hereby guaranteed.
4. The Guarantor shall comply with all applicable requirements in its governing jurisdiction in respect of the continuing guarantee and postponement of claims provided for in this Guarantee.
5. When this Guarantee is delivered it shall be deemed to be finally executed and delivered by the person or persons signing the same and shall not be subject to or affected by any promise or condition affecting or limiting the (or any of the) Guarantor's liability except as set forth herein, and no statement, representation, agreement or promise on the part of any officer, employee or agent of the Lender, unless contained herein, forms any part of this Guarantee or has induced the making thereof or shall be deemed in any way to affect the liability of the Guarantor.
6. No alteration or waiver of this Guarantee or of any of its terms, provisions or conditions shall be binding on the Lender unless made in writing by the Lender.
7. Until all Indebtedness of the Borrower to the Lender has been satisfied in full, the Guarantor shall not have any right of subrogation or to securities held by the Lender, unless expressly given to the Guarantor in writing by the Lender.
8. The Lender shall be at liberty (without in any way prejudicing or affecting the Lender's rights hereunder) to appropriate any payment made or monies received hereunder to any portion of the Indebtedness hereby guaranteed whether then due or to become due, and from time to time to revoke or alter any such appropriation, all as the Lender shall from time to time in its sole discretion see fit.
9. No change in the name, objects, share capital, business, membership, directors' powers, organization or management of the Borrower shall in any way affect the obligations of the Guarantor either with respect to transactions occurring before or after any such change, it being understood that this Guarantee is to extend to the person(s) for the time being and from time to time carrying on the business now carried on by the Borrower, notwithstanding any change or changes in the name or shareholders of the Borrower, and notwithstanding any reorganization of the Borrower, or its amalgamation or arrangement with another or others or the sale or disposal of its assets or business in whole or in part to another or others.

10. The Lender shall not be concerned to see or inquire into the powers of the Borrower or its directors, partners or agents acting or purporting to act on its behalf, and credit in fact obtained from the Lender in the professed exercise of such powers shall be deemed to form part of the Indebtedness hereby guaranteed even though the borrowing or obtaining of such credit was irregularly, fraudulently, defectively or informally affected, or in excess of the powers of the Borrower or of the directors, partners or agents thereof.
11. The statement in writing from time to time by the Lender as to the Indebtedness of the Borrower to the Lender and covered by this Guarantee shall be received as prima facie evidence as against the Guarantor that such amount is at such time so due and payable to the Lender and is covered hereby.
12. The Guarantor shall have a continuing current liability to the Lender under this Guarantee to the extent of the Indebtedness from time to time, provided however that for the purpose of the *Limitations Act* (Alberta) or any similar legislation, the Guarantor shall not be in breach of this Guarantee and no cause of action against the Guarantor shall arise hereunder unless and until the Lender has served written demand upon the Guarantor to pay or otherwise observe or perform their obligations under this Guarantee and the Guarantor has failed to do so following service of such demand.
13. Upon the bankruptcy or winding up or other distribution of assets of the Borrower or of any surety or guarantor for any Indebtedness of the Borrower to the Lender, the Lender's rights shall not be affected or impaired by the Lender's omission to prove the Lender's claim or to prove the Lender's full claim and the Lender may prove such claim as the Lender see fit and may refrain from proving any claim, and in the Lender's discretion the Lender may value as the Lender sees fit or refrain from valuing any security or securities held by the Lender without in any way releasing, reducing or otherwise affecting the Guarantor's liability to the Lender, and until all Indebtedness of the Borrower to the Lender has been fully paid to the Lender, the Lender shall have the right to include in the Lender's claim the amount of all sums paid by the Guarantor to the Lender under this Guarantee and to prove and rank for such sums paid by the Guarantor and to receive the full amount of all dividends in respect thereto, all of the same being hereby assigned and transferred to the Lender. The Guarantor shall not be released from liability if recovery from the Borrower, any other guarantor or any other person becomes barred by any statute of limitations or is otherwise prevented.
14. The Guarantor will file all claims against the Borrower in any bankruptcy or other proceeding in which the filing of claims is required by law upon any Indebtedness of the Borrower to the Guarantor and will assign to the Lender all of the Guarantor's rights thereunder. If the Guarantor does not file any such claim, the Lender, as attorney in fact of the Guarantor, is hereby authorized to do so in the name of the Guarantor or in the Lender's discretion to assign the claim to the Lender or its nominee and cause proof of claim to be filed in the Lender's name or the name of its nominee. In all such cases, whether in administration, bankruptcy or otherwise, the person or persons authorized to pay such claim shall pay to the Lender or its nominee the full amount payable on the claim in the proceeding before making any payment to the Guarantor, and to the full extent necessary for that purpose the Guarantor hereby assigns to the Lender all the Guarantor's rights to any payments or distributions to which the Guarantor otherwise would be entitled in any bankruptcy or other proceeding in which the filing of claims is required by law upon any Indebtedness of the Borrower to the Guarantor. If the

amount so paid is greater than the Indebtedness of the Borrower to the Lender then outstanding, the Lender is authorized to pay the amount of the excess to the person entitled thereto.

15. All of the Lender's rights, powers and remedies hereunder and under any other agreement now or at any time hereafter in force between the Lender and the Guarantor shall be cumulative and not alternative and shall be in addition to all rights, powers and remedies given to the Lender by law.
16. In case of an Event of Default (as such term is defined in the Loan Agreement) the Lender may maintain an action upon this Guarantee against the Guarantor whether or not the Borrower is joined therein or separate action is brought against the Borrower or judgment obtained against the Borrower. The Lender's rights are cumulative and shall not be exhausted by the exercise of any of the Lender's rights hereunder or otherwise against the Guarantor or by any number of successive actions until and unless all Indebtedness hereby guaranteed has been paid and each of the Guarantor's obligations hereunder has been fully performed.
17. The Guarantor shall pay to the Lender on demand all costs, charges and expenses (including, without limitation, lawyers' fees as between solicitor and his own client on a full indemnity basis) incurred by the Lender for the enforcement of this Guarantee and of any security collateral hereto. The Guarantor shall make all payments required to be made under this Guarantee without claiming or asserting any right of set-off or counterclaim that the Guarantor has or may have against the Lender or the Borrower, all of which rights (if any) the Guarantor waives.
18. Should any one or more provisions of this Guarantee be determined to be illegal or unenforceable, all other provisions nevertheless shall remain effective.
19. Any notice or demand which the Lender may wish to give may be served personally on any officer or director of the Guarantor, or by sending the same by courier in an envelope addressed to the last known place of address of the person to be served as it appears on the Lender's records, and the notice so sent shall be deemed to be served on the second business day following that on which it is mailed. Any notice which the Guarantor may wish to give the Lender shall be served personally on any officer or director of the Lender or via courier with attention to the Chief Executive Officer at the address specified on the first page of this Guarantee, and the notice so sent shall be deemed to be served on the second business day following that on which it is sent.
20. This Guarantee shall be construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein.
21. Any word herein contained importing the singular number shall include the plural and vice versa, and any word importing gender shall include all genders, and any word importing a person shall include all persons as identified in the definition of "Person" in the Loan Agreement.
22. This Guarantee and agreement on the part of the Guarantor shall extend to and enure to the Lender's benefit and the benefit of the Lender's successors and assigns and shall be binding on the Guarantor and on their (or on each of their) executors, administrators, legal personal representatives, successors and assigns.

23. The Guarantor is fully aware of the financial condition of the Borrower and acknowledges that it shall receive a benefit from the Loan Agreement and the related documents to which the Borrower is a party. The Guarantor assumes all responsibility for being and keeping itself informed of the Borrower's financial condition and assets, and of all other circumstances bearing upon the risk of non-payment or non-performance of the Indebtedness and the nature, scope and extent of the risks which Guarantor assumes and incurs hereunder, and agrees that the Lender shall not have a duty to advise Guarantor of information known to it regarding such circumstances or risks.
24. All Indebtedness, present and future, of the Borrower to the Guarantor, together with each and every security therefor is hereby assigned to the Lender and postponed to the present and future Indebtedness of the Borrower to the Lender, and following an Event of Default (as such term is defined in the Loan Agreement) which is continuing, all monies received from the Borrower or for its account by the Guarantor shall be received in trust for the Lender, and forthwith upon receipt paid over to the Lender until the Borrower's debts and other liabilities to the Lender are fully paid and satisfied, all without prejudice to and without in any way limiting or lessening the liability of the Guarantor to the Lender under this Guarantee; provided that until, and following the cessation or waiver of, such an Event of Default (as such term is defined in the Loan Agreement), the Guarantor shall be permitted to receive payments on account of, and the Borrower shall be entitled to repay, any indebtedness of the Borrower to the Guarantor subject to the terms and conditions of the Loan Agreement.

[Remainder of page intentionally left blank]

IN WITNESS WHEREOF the Guarantor has executed this Guarantee effective the 28th day of February, 2023.

AMI AGGREGATES INC.

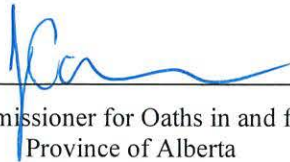
Dana Archibald

Per: Dana Archibald (Feb 23, 2023 17:16 MST)

Name: Dana Archibald

Title: Director

This is Exhibit "K"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

GENERAL SECURITY AGREEMENT

THIS GENERAL SECURITY AGREEMENT is made effective the 28th day of February, 2023

BETWEEN:

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

- and -

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

WHEREAS Athabasca Minerals Inc. (the "**Borrower**") and the Secured Party have entered into a non-revolving term loan agreement dated February 28th, 2023 (the "**Loan Agreement**") wherein the Secured Party has agreed to advance the sum of \$2,000,000 to the Borrower on certain terms and conditions;

AND WHEREAS the Guarantor will derive substantial direct and indirect benefits and advantages from the credit provided by the Secured Party to the Borrower, and has determined it to be in the Guarantor's direct interest and economic benefit to deliver to the Secured Party a Continuing Guarantee (the "**Guarantee**") in order to allow the Borrower to obtain the advance in the manner contemplated by the Loan Agreement;

AND WHEREAS in accordance with the terms of the Loan Agreement and the Guarantee, and in support of the indebtedness, liabilities and obligations of the Borrower under the Loan Agreement and the obligations of the Guarantor under the Guarantee, the Guarantor has agreed to grant the Secured Party the Security contemplated in this General Security Agreement;

NOW THEREFORE in consideration of the covenants and agreements herein contained, the Loan Agreement and other good and valuable consideration, the receipt and sufficiency of which is hereby acknowledged, the Guarantor covenants and agrees with the Secured Party as follows:

**ARTICLE 1
SECURITY INTEREST**

1.1 For valuable consideration, the Guarantor hereby:

- (a) grants, assigns, transfers, mortgages and charges to the Secured Party, as and by way of a fixed and specific mortgage and charge, and grants to the Secured Party a continuing security interest in, all of the Guarantor's present and after-acquired personal property including without limitation all Goods (including Inventory and Equipment), Accounts, Chattel Paper, Investment Property, Documents of Title, Instruments, Intangibles, Money and Securities now owned or hereafter acquired by or on behalf of the Guarantor (and all rights and interests now or hereafter held by or on behalf of the Guarantor with respect to any of the foregoing) and also including without limitation, all Proceeds of and attachments and Accessions to any of the foregoing; and
- (b) charges as and by way of a floating charge (including, without limitation, a floating charge on the land) to and in favour of the Secured Party all its undertaking, property (real and personal) and assets, both present and after-acquired, of every nature and kind and wherever situate, other than such of its undertaking, property (real and personal) and assets

as are otherwise validly and effectively subject to the mortgage, charge and security interest contained in paragraph (a) above

(all of the undertaking, property and assets described in this Section 1.1 is herein collectively called the "**Collateral**").

- 1.2 The grants, assignments, transfers, mortgages, charges and security interests to and in favor of the Secured Party herein created are collectively called the "**Security Interest**" or the "**Security**".
- 1.3 The Security Interest granted hereby shall not extend or apply to, and the Collateral shall not include, the last day of the term of any lease or agreement therefor; however, the Guarantor will hold such last day in trust for the Secured Party and upon the enforcement of the Security Interest the Guarantor will assign the same as directed by the Secured Party.
- 1.4 If the grant of the Security Interest with respect to any contract, agreement, intellectual property right, permit or license under Section 1.1 would result in the termination or breach of such contract, agreement, intellectual property right, permit or license, or is otherwise prohibited or ineffective (whether by the terms thereof or under applicable law), then such contract, agreement, intellectual property right, permit or license shall not be subject to the Security Interest but shall be held in trust by the Guarantor for the benefit of the Secured Party and, on the exercise by the Secured Party of any of its rights or remedies under this General Security Agreement following an Event of Default (as defined in the Loan Agreement) shall be assigned by the Guarantor as directed by the Secured Party; provided that the Security Interest of the Guarantor shall attach to such contract, agreement, intellectual property right, permit or license, or applicable portion thereof, immediately at such time as the condition causing such termination or breach is remedied.
- 1.5 The Security Interest does not attach to Consumer Goods.
- 1.6 The terms "**Accessions**", "**Accounts**", "**Chattel Paper**", "**Investment Property**", "**Consumer Goods**", "**Documents of Title**", "**Equipment**", "**Goods**", "**Instruments**", "**Intangibles**", "**Inventory**", "**Money**", "**Proceeds**", and "**Securities**", including any singular or plural variation thereof whenever used herein shall be interpreted pursuant to the respective meanings given to such words in the *Personal Property Security Act* (Alberta), as amended from time to time, which Act, including amendments thereto and any Act substituted therefor and amendments thereto is herein referred to as the "**PPSA**".
- 1.7 Any reference hereinafter to the "Collateral" shall, unless the context otherwise requires, be deemed a reference to the "Collateral or any part thereof".
- 1.8 Should an Event of Default (as defined in the Loan Agreement) occur and the Secured Party determine to enforce upon its security interest in the real property of the Guarantor, the Secured Party will be entitled to use any and all remedies available to it under this General Security Agreement as well as the applicable laws of the jurisdictions in which such land is situate to enforce its security rights hereunder.

ARTICLE 2 INDEBTEDNESS SECURED

- 2.1 The Security Interest granted hereby secures payment and satisfaction of any and all obligations, indebtedness and liability of the Guarantor to the Secured Party (including interest thereon) pursuant to or arising in connection with the Loan Agreement, whether present or future, direct or

indirect, absolute or contingent, matured or not, extended or renewed, wheresoever and howsoever incurred and any ultimate unpaid balance thereof and whether the same is from time to time reduced and thereafter increased or entirely extinguished and thereafter incurred again and whether the Guarantor be bound alone or with another or others and whether as principal or surety and including, without limitation, the Obligations (as defined in the Loan Agreement) of the Guarantor (hereinafter collectively called the "**Indebtedness**"). If the Security Interest in the Collateral is not sufficient, in case of an Event of Default (as defined in the Loan Agreement), to satisfy all Indebtedness of the Guarantor, the Guarantor acknowledges and agrees that the Guarantor shall continue to be liable for any Indebtedness remaining outstanding and the Secured Party shall be entitled to pursue full payment thereof.

ARTICLE 3 COVENANTS

- 3.1 So long as this General Security Agreement remains in effect the Guarantor covenants and agrees:
- (a) to pay all taxes, assessments and other charges of every nature which may be lawfully levied, assessed or imposed against or in respect of the Guarantor or the Collateral as and when the same become due and payable, provided, however that it will not be required to pay any such amount so long as the validity or amount thereof is being contested in good faith by appropriate proceedings or where such failure to pay would not reasonably be expected to have a Material Adverse Effect (as defined in the Loan Agreement);
 - (b) that in the event the Guarantor amalgamates or undertakes an arrangement or other combination transaction with any other company or companies it is the intention of the parties that the term "Guarantor" when used herein shall apply to each of the amalgamating, arranged or combined companies and to the amalgamated company, such that the Security Interest granted hereby:
 - (i) shall extend to "Collateral" (as that term is herein defined) owned by each of the amalgamating, arranged or combined companies and the amalgamated, arranged or combined company at the time of amalgamation, arrangement or combination and to any "Collateral" thereafter owned or acquired by the amalgamated, arranged or combined company; and
 - (ii) shall secure the "Indebtedness" (as that term is herein defined) of each of the amalgamating, arranging or combining companies and the amalgamated, arranged or combined company to the Secured Party at the time of amalgamation, arrangement or combination and any "Indebtedness" of the amalgamated, arranged or combined company to the Secured Party thereafter arising. The Security Interest shall attach to "Collateral" owned by each company amalgamating, arranging or combining with the Guarantor, and by the amalgamated, arranged or combined company, at the time of amalgamation, arrangement or combination, and shall attach to any "Collateral" thereafter owned or acquired by the amalgamated, arranged or combined company when such becomes owned or is acquired; and
 - (c) to comply in all material respects with all of the terms and provisions to be performed or observed by it under the Loan Agreement and all other documents and agreements related thereto.

**ARTICLE 4
ENFORCEMENT**

- 4.1 The occurrence of an Event of Default (as defined in the Loan Agreement) also constituting a default under the terms of the Guarantee, shall constitute default hereunder and is herein referred to as "**default**".
- 4.2 In the event of a default, the Security shall immediately become enforceable.
- 4.3 Whenever the Security has become enforceable, the Secured Party may realize upon the Security and, to the extent permitted by law, enforce the Secured Party's rights by the following remedies:
- (a) entry into possession;
 - (b) sale in accordance with Section 4.4 hereof;
 - (c) proceedings in any court of competent jurisdiction for the appointment of a receiver (which term as used in this General Security Agreement includes a receiver and manager) of all or any part of the Collateral;
 - (d) proceedings in any court of competent jurisdiction for sale (including, without limitation, sale by way of a deferred payment arrangement) or foreclosure or lease of all or any part of the Collateral;
 - (e) filing of proofs of claim and other documents to establish the Secured Party's claims in any proceeding relative to the Guarantor;
 - (f) appointment by instrument in writing of a receiver of all or any part of the Collateral and removal or replacement from time to time of any such receiver; and
 - (g) any other remedy or proceeding authorized or permitted hereby or by law or equity.

Such remedies may be exercised from time to time separately or in combination and are in addition to and not in substitution for any other rights of the Secured Party however created.

- 4.4 If the Security hereby constituted shall become enforceable, the Secured Party may seize or otherwise take possession of the Collateral or any part thereof, and to the extent permitted by law, sell and dispose of the Collateral on such terms as the Secured Party determines appropriate in its sole discretion, either as a whole or in separate parcels, at a public auction or by tender or by private sale at such time or times as the Secured Party may determine, with or without notice to the Guarantor, and may make any such sale, either for cash or credit or part cash and part credit or any other arrangement providing for deferred payment, and with or without advertisement, and with or without a reserve bid as the Secured Party may see fit, and the Secured Party may also rescind or vary any contract of sale that may have been entered into and resell with or under any of the powers conferred hereunder and adjourn any such sale from time to time and may execute and deliver to the purchaser or purchasers of the Collateral or any part thereof a good and sufficient deed or conveyance or deeds or conveyances for the same, the Secured Party being hereby constituted the irrevocable attorney of the Guarantor for the purpose of making such sale and executing such deeds or conveyances, and any such sale made as aforesaid shall be a perpetual bar both in law and in equity against the Guarantor and all other persons claiming all or any part of the Collateral by, from, through or under the Guarantor.

- 4.5 Any receiver appointed by instrument in writing shall, to the extent permitted by law, have power to:
- (a) take possession of, collect and recover all or any part of the Collateral and, for that purpose, to take proceedings in the name of the Guarantor or otherwise and to make any arrangement or compromise;
 - (b) from time to time and without any previous notice or demand and free of charge, enter upon or into and occupy and use all or any part of the premises, buildings, plants and undertakings of or occupied or used by the Guarantor without being or being deemed to be a mortgagee in possession;
 - (c) carry on or concur in carrying on all or any part of the business of the Guarantor;
 - (d) borrow or raise money on all or any part of the Collateral for such purposes as may be approved by the Secured Party; and
 - (e) sell or lease or concur in selling or leasing all or any part of the Collateral without notice and in such manner as may seem advisable to the receiver (including, without limitation, sale by way of deferred payment arrangement), on commercially reasonable terms and to effect such sale by conveying in the name and on behalf of the Guarantor or otherwise.

The receiver shall be vested with such other discretions and powers as are granted in the instrument of appointment and any supplement thereto including, without limitation, any or all of the powers of the Secured Party.

- 4.6 To the extent permitted by law, the receiver shall for all purposes be deemed to be the agent of the Guarantor and not of the Secured Party, and the Guarantor shall be solely responsible for the receiver's acts or defaults and remuneration. All amounts from time to time received by the Secured Party or the receiver may be applied as follows: firstly, in discharge of all operating expenses and other outgoings affecting the Collateral; secondly, in keeping in good standing all mortgages, charges and liens on the Collateral having priority over the Security; thirdly, in payment of the remuneration and disbursements of the receiver (if any); fourth, in payment to the Secured Party of the amounts payable hereunder; fifthly, to such reserves against potential claims that the Secured Party or the receiver in good faith believes should be maintained, until such potential claims are settled; and the balance, if any, shall be paid to the Guarantor.
- 4.7 Any failure or omission by the Secured Party to present this General Security Agreement for payment will not invalidate or adversely affect in any way any demand for payment or enforcement proceeding taken under this General Security Agreement, provided that the Secured Party or their respective agents are, at the time of demand or enforcement, in possession of this General Security Agreement and have not assigned their rights under it.
- 4.8 Before and after default in the payment of any money payable by the Guarantor hereunder, the Secured Party will have, in addition to the rights specifically provided in this General Security Agreement, the rights of a Secured Party under the PPSA and any similar or other legislation of any jurisdiction where and to the extent that the laws of such jurisdiction apply to this General Security Agreement or the rights of the Secured Party as Secured Party hereunder, as well as the rights recognized at law and in equity. No right of the Secured Party in regard to this General Security Agreement will be exclusive of or dependent upon or merge in any other such right, and one or more of such rights may be exercised separately or in combination from time to time.

- 4.9 None of the Secured Party, a receiver appointed in regard to this General Security Agreement or any agent of the Secured Party (including any sheriff) is required to take, or will have any liability for any failure to take or delay in taking, any steps necessary or advisable to preserve rights against other parties in respect of any of the Collateral.
- 4.10 The Guarantor shall be responsible for (and will indemnify the Secured Party for) all costs, charges and expenses (including, without limitation, lawyers' fees as between solicitor and their own client on a full indemnity basis) incurred by the Secured Party in connection with the enforcement of the Security as contemplated herein.

ARTICLE 5
CONTINUOUS INTEREST AND INTEREST IN ADDITION

- 5.1 The Security Interest is a continuing charge, and shall secure all present and future Obligations.
- 5.2 The Security is in addition and without prejudice to any other security now or hereafter held by the Secured Party. Neither the taking and holding of any Collateral nor the obtaining of any judgment by the Secured Party under any other document, agreement or rights shall operate to prejudice the Security and rights of the Secured Party constituted by this General Security Agreement.

ARTICLE 6
PRIORITY

- 6.1 Notwithstanding anything herein to the contrary, the Security provided for in this General Security Agreement shall not be subordinate to any other security granted by the Guarantor or to any other lenders (whether third-party lenders) of the Guarantor in respect of any interests in the Collateral, other than in respect of Permitted Liens (as defined in the Loan Agreement).
- 6.2 The Guarantor shall not take any action whereby the priorities and rankings of the Security may be impaired or defeated and hereby covenants (now and in the future) to enter into and execute all contracts, documents, certificates, instruments, agreements or otherwise, written or unwritten, and take any and all action as may be considered necessary or desirable in respect of the priority of the Secured Party as contemplated in this Article 6.

ARTICLE 7
NEGOTIABLE INSTRUMENT

- 7.1 This General Security Agreement is not a negotiable instrument.

ARTICLE 8
WAIVER AND NOTICE

- 8.1 No consent or waiver by the Secured Party shall be effective unless made in writing and signed by the Secured Party.
- 8.2 Notices required or permitted under this General Security Agreement may be given to each party at the following addresses, subject to the right of each party to specify a different address:

If to the Secured Party:

121 – 48 Avenue SW

Williston, ND, 58801
USA

Attention: Jon McCreary, Chief Executive Officer
Telephone: _____
Email: jon@jmacresources.com

If to the Guarantor:

4409 94 Street NW
Edmonton, AB, T6E 6T7

Attention: Dana Archibald, Chief Executive Officer
Telephone: 780-668-3366
Email: dana.archibald@athabascaminerals.com

Any such notices shall be deemed to have been validly and effectively given if (i) personally delivered, on the date of such delivery if such date is a Business Day (as defined in the Loan Agreement) and such delivery was made prior to 4:30 p.m. (Calgary time), otherwise on the next Business Day (as defined in the Loan Agreement), or (ii) transmitted by email on the Business Day (as defined in the Loan Agreement) following the date of transmission.

**ARTICLE 9
GOVERNING LAW**

- 9.1 This General Security Agreement is governed by the laws of the Province of Alberta and the federal laws of Canada applicable therein.

**ARTICLE 10
BINDING EFFECT AND ASSIGNMENT**

- 10.1 This General Security Agreement shall enure to the benefit of the Secured Party and its successors and assigns and shall be binding on the Guarantor and its successors and assigns.
- 10.2 This General Security Agreement is not assignable by the Guarantor without the express prior written consent of the Secured Party. Until April 30, 2023, the Secured Party may not assign or otherwise encumber its rights or obligations hereunder, provided that, at any time following April 30, 2023, the Secured Party may assign this General Security Agreement and Security pursuant hereto upon providing the Guarantor with five (5) Business Days (as defined in the Loan Agreement) prior written notice.

**ARTICLE 11
ACKNOWLEDGMENT AND WAIVER**

- 11.1 The Guarantor hereby acknowledges receipt of a copy of this General Security Agreement and waives the right to sign or receive a copy of any financing statement or financing change statement, or any statement issued by any registry that confirms any registration of a financing statement or financing change statement, relating to this General Security Agreement.

**ARTICLE 12
SEVERABILITY**

- 12.1 If any term, covenant or condition of this General Security Agreement or the application thereof to any party or circumstance shall be invalid or unenforceable to any extent the remainder of this General Security Agreement or the application of such term, covenant or condition to a party or a circumstance other than those to which it is held invalid or unenforceable shall not be affected thereby and each remaining term, covenant or condition of this General Security Agreement shall be valid and shall be enforceable to the fullest extent permitted by law.

**ARTICLE 13
DISCHARGE**

- 13.1 The Secured Party agrees that upon the full, final and indefeasible payment, satisfaction and discharge of all Indebtedness, the Secured Party shall provide notice thereof to the Guarantor and thereafter the Secured Party shall discharge all security registrations they shall have made against the Collateral in connection with this General Security Agreement, and this General Security Agreement shall thereupon terminate.

[Remainder of page intentionally left blank]

This General Security Agreement may be executed in any number of counterparts and may be delivered originally, by facsimile, by email in portable document format ("**PDF**"), or other electronic means, and each such facsimile copy or PDF copy or other electronic copy when so executed and delivered shall be deemed to be an original and all of which taken together shall constitute one and the same instrument. Execution may be accomplished by wet ink signing, insertion by the signatory of an image of a wet ink signature, or by means of an electronic signature.

IN WITNESS WHEREOF the parties have executed this General Security Agreement effective as of the date first written above.

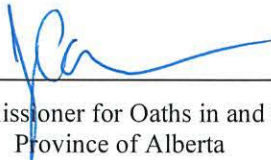
JMAC ENERGY SERVICES LLC

DocuSigned by:
Jon McCreary
Per: _____
Name: Jon McCreary
Title: Chief Executive Officer

AMI AGGREGATES INC.

Dana Archibald
Per: [Dana Archibald \(Feb 23, 2023 16:56 MST\)](#)
Name: Dana Archibald
Title: Director

This is Exhibit "L"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

Search ID #: Z16762581

Transmitting Party

FASKEN MARTINEAU DUMOULIN LLP

3400, 350 7 Avenue SW
Calgary, AB T2P 3N9

Party Code: 60008049
Phone #: 403 261 5359
Reference #:

Search ID #: Z16762581

Date of Search: 2023-Nov-13

Time of Search: 09:05:40

Business Debtor Search For:

ATHABASCA MINERALS INC.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16762581

Business Debtor Search For:

ATHABASCA MINERALS INC.

Search ID #: Z16762581

Date of Search: 2023-Nov-13

Time of Search: 09:05:40

Registration Number: 18061514920

Registration Type: SECURITY AGREEMENT

Registration Date: 2018-Jun-15

Registration Status: Current

Expiry Date: 2028-Jun-15 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

20012826341	Amendment	2020-Jan-28
20012840215	Amendment	2020-Jan-28
23031508756	Amendment	2023-Mar-15
23031724612	Renewal	2023-Mar-17

Debtor(s)

Block

Status

1 ATHABASCA MINERALS INC.
1319 - 91 STREET SW
EDMONTON, AB T6X 1H1

Current

Secured Party / Parties

Block

Status

1 CANADIAN WESTERN BANK
SUITE 100, 12230 JASPER AVENUE
EDMONTON, AB T5N 3K3

Deleted by
20012826341

Block

Status

2 CANADIAN WESTERN BANK - CREDIT SUPPORT, NAB REGION
201, 12230 JASPER AVENUE
EDMONTON, AB T5N 3K3
Phone #: 780 421 5582 Fax #: 800 392 3015
Email: CSNA.Collsec@cwbank.com

Current by
20012826341

Search ID #: Z16762581

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	KMTHM007H54A11160	2007	Komatsu Dump Truck	MV - Motor Vehicle	Deleted By 23031508756
2	KMTHM007C54A11153	2007	Komatsu Dump Truck	MV - Motor Vehicle	Deleted By 23031508756
3	KMTHM006C26002143	2007	Komatsu Dump Truck	MV - Motor Vehicle	Deleted By 23031508756
4	CAT0160HJASD00282	2003	CAT 160H VHP Motor Grader	TR - Trailer	Deleted By 23031508756
5	KMTWA119P36A94084	2013	Komatsu WA500-7 Loader	TR - Trailer	Deleted By 23031508756
6	9TC04039	1990	CAT D8N Crawler Tractor	TR - Trailer	Deleted By 23031508756
7	CAT0345DLEEH01281	2013	CAT 345DL Hyd Excavator	TR - Trailer	Deleted By 23031508756
8	CAT0345DHEEH01282	2013	CAT 345DL Hyd Excavator	TR - Trailer	Deleted By 23031508756
9	7XM02763	1998	CAT D8R Crawler Tractor	TR - Trailer	Deleted By 23031508756
10	NDM477341	2013	CASE SKID STEER	TR - Trailer	Deleted By 23031508756
11	KMTWA119C36A94082	2013	KOMATSU, WA500-7 Loader	TR - Trailer	Deleted By 23031508756
12	CAT0140MEB9M00544	2008	CAT 140M VHP MOTORGRADER	TR - Trailer	Deleted By 23031508756
13	1FTFX1EVX AFC08031	2010	FORD F150 XLT CAB Truck	MV - Motor Vehicle	Deleted By 23031508756
14	1FVHCYDJ57HY91141	2007	FREIGHTLINER M2 TRUCK	MV - Motor Vehicle	Deleted By 23031508756
15	1M2AJ06C05N001612	2005	MACK CHN613 T/A TRUCK	MV - Motor Vehicle	Deleted By 23031508756
16	4RYC202B8FT114646	2015	CHARMAC 20' T/A PRESSURE	TR - Trailer	Deleted By 23031508756
17	4UGFG3633ED024841	2014	ABU 8'5" X 36' GOOSENECK	TR - Trailer	Deleted By 23031508756
18	4UGFH2025DD023762	2013	ABU T/A 6'10" X 20' UTIL	TR - Trailer	Deleted By 23031508756
19	5SAAL42A087111422	2008	SUZUKI 450 AXI 4X4 ATV	MV - Motor Vehicle	Deleted By 23031508756

Search ID #: Z16762581

20	260927511	1992	ATCO 36' X 60' 3 OFFICE	TR - Trailer	Deleted By 23031508756
21	260927512	1992	Misc. Office Furniture	TR - Trailer	Deleted By 23031508756
22	260927513	1992	2-1 250 Gal Holding tank	TR - Trailer	Deleted By 23031508756
23	132906510	1990	ATCO TRAILER - GRAVEL	TR - Trailer	Deleted By 23031508756
24	WST1030G017	1995	ULTRA-FAB WELLSITE	TR - Trailer	Deleted By 23031508756
25	4FVLTBDA6DU447887	2013	DOOSAND L8 LKW S/A LIGHT	TR - Trailer	Deleted By 23031508756
26	13850515	2001	STAMFORD 175 KW GEN SET	TR - Trailer	Deleted By 23031508756
27	C97008600	1997	AGGREKO 10,000L FUEL TA	TR - Trailer	Deleted By 23031508756
28	5AEAA14189H000156	2009	ALLMAND NL8 8KW S/A LIGHT	TR - Trailer	Deleted By 23031508756
29	5AEAA14128H000409	2008	ALLMAND NL8 8KW S/A LIGHT	TR - Trailer	Deleted By 23031508756
30	WST209	2014	ULC 4800L SKID FUEL TANK	TR - Trailer	Deleted By 23031508756
31	15129902	2002	STAMFORD 60 KW GEN SET	TR - Trailer	Deleted By 23031508756
32	1P9BP1364CV591795	2012	TSURUMI CORNELL PUMP	TR - Trailer	Deleted By 23031508756
33	4TCSU1856AH187379	2010	WACKER G50 38 KW T/A GEN	TR - Trailer	Deleted By 23031508756
34	4TCSU1854AH187395	2010	WACKER G70 58 KW T/A GEN	TR - Trailer	Deleted By 23031508756
35	4GNFU1018BB021208	2011	WHISPERWATT 25 KW GEN	TR - Trailer	Deleted By 23031508756
36	FF01V4Q030483	2006	HITACHI ZX270LC-3 EXCAV	TR - Trailer	Deleted By 23031508756
37	TTNU1637218	2003	8" X20" SHIPPING CONTAIN	TR - Trailer	Deleted By 23031508756
38	CLHU2615109	2000	8' X 20' SHIPPING CONTAIN	TR - Trailer	Deleted By 23031508756

Search ID #: Z16762581

39	WST213	2014	ULC 4800I SKID MOUNTED F	TR - Trailer	Deleted By 23031508756
40	7910445467WS	1979	ALTA FAB 10' X 44' WELLS	TR - Trailer	Deleted By 23031508756
41	302829	1990	ROADWAY 10" X 28" TRIDEM	TR - Trailer	Deleted By 23031508756
42	4FVLTBDA6DU447890	2013	DOOSAN L8 8KW S/A LIGHT	TR - Trailer	Deleted By 23031508756
43	DSZU400290	2010	8' X 40' SHIPPING CONTAIN	TR - Trailer	Deleted By 23031508756
44	961254S2325WSPS	1995	ALTA-FAB 12' X 54' WELLS	TR - Trailer	Deleted By 23031508756
45	IFTEWIEG3FC85610	2016	FORD F-150 4X4 CREWCAB	MV - Motor Vehicle	Deleted By 23031508756
46	244970871	1997	ATCO 11' X 44' WELLSITE	TR - Trailer	Deleted By 23031508756
47	5SLBG14207L001495	2007	WHISPERWATT 56 KW S/A GEN	TR - Trailer	Deleted By 23031508756
48	4FVGMBBBS6U36487	2006	INGERSOLL RAND G60 46K	TR - Trailer	Deleted By 23031508756
49	4FVLTBDAXDU447889	2013	DOOSAN L8 8KW S/A LIGHT	TR - Trailer	Deleted By 23031508756
50	0043ML01	2001	ALLMAND 8 KW S/A LIGHT	TR - Trailer	Deleted By 23031508756
51	16600818966	2008	NOBLE 16' x 60' SKIDLESS	TR - Trailer	Deleted By 23031508756
52	NAL1676981116	1998	NOBLE 16' x 80' SKIDLESS	TR - Trailer	Deleted By 23031508756
53	NWTXL640	1900	GNS 10' X 40' SKID	TR - Trailer	Deleted By 23031508756
54	CA0DC215	1900	35,000L 8' X 25' SKID	TR - Trailer	Deleted By 23031508756
55	80240	2013	GLOBAL 12 GST 12" WATER	TR - Trailer	Deleted By 23031508756
56	N0NU1019180	1900	8' X 40 SHIPPING CONTAIN	TR - Trailer	Deleted By 23031508756
57	N0NU1028181	1900	8" X 40' SHIPPING CONTAIN	TR - Trailer	Deleted By 23031508756
58	SUZU4001660	1900	8' X 40 SHIPPING CONTAIN	TR - Trailer	Deleted By 23031508756

Search ID #: Z16762581

59	TK00034	1900	AGGREKO 2300 GAL SKID TR - Trailer MOU	Deleted By 23031508756
60	395730ULR819	1900	INGERSOLL-RAND L8 TR - Trailer 8KW S/A	Deleted By 23031508756

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR. PROCEEDS: ALL PRESENT AND AFTER ACQUIRED PERSONAL PROPERTY OF THE DEBTOR.	Current
2	BLOCK 21 - 1992 ATCO 36' X 60' 3 UNIT SIDE BY SIDE OFFICE COMPLEX c/w Misc. Office Furniture, 2-1 250 Gal Holding tank and Pump mounted in 20" storage container * Units Locked * S/N 260927511 , 260927512 , 260927513 , 891	Current By 20012826341

Search ID #: Z16762581

Business Debtor Search For:

ATHABASCA MINERALS INC.

Search ID #: Z16762581

Date of Search: 2023-Nov-13

Time of Search: 09:05:40

Registration Number: 19091212497

Registration Date: 2019-Sep-12

Registration Type: SECURITY AGREEMENT

Registration Status: Current

Expiry Date: 2024-Sep-12 23:59:59

Exact Match on: Debtor No: 1

Amendments to Registration

19110500044	Amendment	2019-Nov-05
19120925892	Amendment	2019-Dec-09
20010308336	Amendment	2020-Jan-03
21102231003	Amendment	2021-Oct-22

Debtor(s)

Block

Status

1 ATHABASCA MINERALS INC.
4409 94 ST NW
EDMONTON, AB T6E 6T7

Current

Secured Party / Parties

Block

Status

1 CANADIAN WESTERN BANK - CREDIT SUPPORT, NAB REGION
201, 12230 JASPER AVENUE
EDMONTON, AB T5N 3K3
Phone #: 780 421 5582 Fax #: 800 392 3015

Deleted by
19110500044

Block

Status

2 CANADIAN WESTERN BANK - CREDIT SUPPORT, NAB REGION
201, 12230 JASPER AVENUE
EDMONTON, AB T5N 3K3
Phone #: 780 421 5582 Fax #: 800 392 3015
Email: CSNA.Collsec@cwbank.com

Current by
19110500044

Search ID #: Z16762581

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO all moneys owing and payable or hereafter owing and payable to the debtor pursuant to the terms of the instrument or instruments, including any renewals, replacements and substitutions described ID number 668728 AND ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE PERSONAL SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY AMENDMENTS THERETO).	Deleted By 19120925892
2	THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO all moneys owing and payable or hereafter owing and payable to the debtor pursuant to the terms of the instrument or instruments, including any renewals, replacements and substitutions described as GIC# 101009901613, GIC# 101009901702, GIC# 101011209956, GIC# 101011747157, GIC# 101011972967 AND ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE PERSONAL SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY AMENDMENTS THERETO).	Deleted By 20010308336
3	THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO all moneys owing and payable or hereafter owing and payable to the debtor pursuant to the terms of the instrument or instruments, including any renewals, replacements and substitutions described as GIC# 101009901613, GIC# 101009901702, GIC# 101011209956, GIC# 101011747157, GIC# 101011972967, GIC# 101012036311, GIC# 101012036435 AND ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE PERSONAL SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY AMENDMENTS THERETO).	Deleted By 21102231003
4	THE ENTIRE RIGHT, TITLE, CLAIM AND INTEREST OF THE DEBTOR IN AND TO all moneys owing and payable or hereafter owing and payable to the debtor pursuant to the terms of the instrument or instruments, including any renewals, replacements and substitutions described as GIC# 101009901613, GIC# 101009901702, GIC# 101011747157, GIC# 101012036435 AND ALL PROCEEDS INCLUDING, WITHOUT LIMITATION, ALL GOODS, SECURITIES, INSTRUMENTS, DOCUMENTS OF TITLE, CHATTEL PAPER, INTANGIBLES AND MONEY (ALL AS DEFINED IN THE PERSONAL SECURITY ACT, ANY REGULATIONS THEREUNDER AND ANY AMENDMENTS THERETO).	Current By 21102231003

Search ID #: Z16762581

Business Debtor Search For:

ATHABASCA MINERALS INC.

Search ID #: Z16762581

Date of Search: 2023-Nov-13

Time of Search: 09:05:40

Registration Number: 20072814654

Registration Type: SECURITY AGREEMENT

Registration Date: 2020-Jul-28

Registration Status: Current

Expiry Date: 2030-Jul-28 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 ATHABASCA MINERALS INC.
CANADA PLACE SUITE 620, 407 2 STREET SW
CALGARY, AB T2P2Y3

Current

Secured Party / Parties

Block

Status

1 TRISURA GUARANTEE INSURANCE COMPANY
333 BAY STREET SUITE 1610, BOX 22
TORONTO, ON M5H2R2
Email: surety@trisura.com

Current

Collateral: General

Block

Description

Status

1 ALL OF THE RIGHT, TITLE AND THE DEBTORS INTEREST IN AND TO:

Current

1. CONTRACTS AND SUBCONTRACTS ENTERED INTO BY ATHABASCA MINERALS INC., AND EACH OF THEM, INCLUDING, WITHOUT LIMITATION, THOSE IN CONNECTION WITH WHICH THE SECURED PARTY HAS ISSUED A CONTRACT OF SURETYSHIP, GUARANTEE OR INDEMNITY (THE CONTRACTS);
2. GOODS, MACHINERY, EQUIPMENT, PLANT, TOOLS, SUPPLIES, INVENTORY AND MATERIALS OF EVERY NATURE AND DESCRIPTION; AND
3. GOODS, CHATTEL PAPER, INVESTMENT PROPERTY, DOCUMENTS OF TITLE, INSTRUMENTS, MONEY AND INTANGIBLES IN SO FAR AS THEY ARE DUE UNDER, MAY BE DUE UNDER, MAY BECOME DUE UNDER, ARE AWARDED OR ALLOWED IN CONNECTION WITH, RELATE TO, ARE USED FOR, OR ARE USEFUL (OR MAY BECOME USEFUL) FOR THE PERFORMANCE OR COMPLETION OF, THE CONTRACTS AND WORK DONE THEREUNDER, OR WHICH ARE LOCATED IN, ABOUT, OR ON THE SITE OF WORK CONTEMPLATED BY THE CONTRACTS, OR WHICH HAVE BEEN PURCHASED FOR OR ARE CHARGEABLE IN CONNECTION WITH THE CONTRACTS.

Search ID #: Z16762581

Business Debtor Search For:

ATHABASCA MINERALS INC.

Search ID #: Z16762581

Date of Search: 2023-Nov-13

Time of Search: 09:05:40

Registration Number: 23022735909

Registration Type: LAND CHARGE

Registration Date: 2023-Feb-27

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 ATHABASCA MINERALS INC.
C/O 1319 - 91 STREET SW
EDMONTON, AB T6X 1H1

Secured Party / Parties

Block

Status

Current

1 JMAC ENERGY SERVICES LLC
C/O FIELD LLP, 400-444 7 AVE SW
CALGARY, AB T2P 0X8
Email: jon@jmacresources.com

Search ID #: Z16762581

Business Debtor Search For:

ATHABASCA MINERALS INC.

Search ID #: Z16762581

Date of Search: 2023-Nov-13

Time of Search: 09:05:40

Registration Number: 23022736054

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Feb-27

Registration Status: Current

Expiry Date: 2048-Feb-27 23:59:59

Exact Match on:

Debtor

No: 1

Amendments to Registration

23070525047

Amendment

2023-Jul-05

Debtor(s)

Block

Status

1 ATHABASCA MINERALS INC.
C/O 1319-91 STREET SW
EDMONTON, AB T6X 1H1

Current

Secured Party / Parties

Block

Status

1 JMAC ENERGY SERVICES LLC
C/O FIELD LLP, 400-444 7 AVENUE SW
CALGARY, AB T2P 0X8
Email: jon@jmacresources.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	132906510	1990	ATCO TRAILER - GRAVEL	TR - Trailer	Deleted By 23070525047
2	1FTFX1EVX AFC08031	2010	FORD F150 XLT CAB TRUCK	MV - Motor Vehicle	Current
3	1FVHCYDJ57HY91141	2007	FREIGHTLINER M2 TRUCK	MV - Motor Vehicle	Deleted By 23070525047
4	1M2AJ06C05N001612	2005	MACK CHN613 T/A TRUCK	MV - Motor Vehicle	Deleted By 23070525047
5	5SAAL42A087111422	2008	SUZUKI 450 AXI 4X4 ATV	MV - Motor Vehicle	Deleted By 23070525047

Search ID #: Z16762581

6	7XM02763	1998	CAT D8R CRAWLER TRACTOR	MV - Motor Vehicle	Deleted By 23070525047
7	9TC04039	1990	CAT D8N CRAWLER TRACTOR	MV - Motor Vehicle	Deleted By 23070525047
8	IFTEWIEG3FC85610	2016	FORD F-150 4X4 CREWCAB	MV - Motor Vehicle	Deleted By 23070525047
9	KMTHM006C26002143	2007	KOMATSU DUMP TRUCK	MV - Motor Vehicle	Deleted By 23070525047
10	KMTHM007C54A11153	2007	KOMATSU DUMP TRUCK	MV - Motor Vehicle	Deleted By 23070525047
11	KMTHM007H54A11160	2007	KOMATSU DUMP TRUCK	MV - Motor Vehicle	Deleted By 23070525047
12	4UGFG3633ED024841	2014	ABU 8'5" X 36' GOOSENECK	TR - Trailer	Deleted By 23070525047
13	4UGFH2025DD023762	2013	ABU T/A 6'10" X 20' UTIL	TR - Trailer	Deleted By 23070525047
14	CA0DC215	1900	35,000L 8' X 25' SKID	TR - Trailer	Deleted By 23070525047
15	CAT0140MEB9M00544	2008	CAT 140M VHP MOTORGRADER	MV - Motor Vehicle	Deleted By 23070525047
16	CAT0160HJASD00282	2003	CAT 160H VHP Motor - Grad	MV - Motor Vehicle	Deleted By 23070525047
17	CAT0345DHEEH01282	2013	CAT 345DL Hyd Excavator	MV - Motor Vehicle	Deleted By 23070525047
18	CAT0345DLEEH01281	2013	CAT 345DL Hyd Excavator	MV - Motor Vehicle	Deleted By 23070525047
19	FF01V4Q030483	2006	HITACHI ZX270LC-3 EXCAV	MV - Motor Vehicle	Deleted By 23070525047
20	NDM477341	2013	CASE SKID STEER	MV - Motor Vehicle	Deleted By 23070525047
21	NWTXL640	1900	GNS 10' X 40' SKID	TR - Trailer	Deleted By 23070525047
22	A94082	2012	KOMATSU WA500 WHEEL LOADE	MV - Motor Vehicle	Deleted By 23070525047
23	A94084	2012	KOMATSU WA500 WHEEL LOADE	MV - Motor Vehicle	Deleted By 23070525047

Collateral: General

Block	Description	Status
1	All present and after acquired personal property of the debtor.	Current

Search ID #: Z16762581

- 2 Proceeds: all present and after acquired personal property of the debtor. Current
- 3 SERIAL NUMBER 80240 YEAR 2013 MAKE/MODEL GLOBAL 12 GST 12" WATER
SERIAL NUMBER 302829 YEAR 1990 MAKE/MODEL ROADWAY 10" X 28" TRIDEM
SERIAL NUMBER 13850515 YEAR 2001 MAKE/MODEL STAMFORD 175 KW GEN SET
SERIAL NUMBER 15129902 YEAR 2002 MAKE/MODEL STAMFORD 60 KW GEN SET
SERIAL NUMBER 244970871 YEAR 1997 MAKE/MODEL ATCO 11' X 44' WELLSITE
SERIAL NUMBER 260927511 YEAR 1992 MAKE/MODEL ATCO 36' X 60' 3 OFFICE
SERIAL NUMBER 260927512 YEAR 1992 MAKE/MODEL MISC. OFFICE FURNITURE
SERIAL NUMBER 260927513 YEAR 1992 MAKE/MODEL 2-1 250 GAL HOLDING TANK
SERIAL NUMBER 16600818966 YEAR 2008 MAKE/MODEL NOBLE 16' X 60' SKIDLESS
SERIAL NUMBER 0043ML01 YEAR 2001 MAKE/MODEL ALLMAND 8 KW S/A LIGHT
SERIAL NUMBER 1P9BP1364CV591795 YEAR 2012 MAKE/MODEL TSURUMI
CORNELL PUMP
SERIAL NUMBER 395730ULR819 YEAR 1900 MAKE/MODEL INGERSOLL-RAND L8
8KW S/A
SERIAL NUMBER 4FVGMBBBS6U36487 YEAR 2006 MAKE/MODEL INGERSOLL RAND
G60 46K
SERIAL NUMBER 4FVLTBDA6DU447887 YEAR 2013 MAKE/MODEL DOOSAND L8
LKW S/A LIGHT
SERIAL NUMBER 4FVLTBDA6DU447890 YEAR 2013 MAKE/MODEL DOOSAN L8 8KW
S/A LIGHT
SERIAL NUMBER 4FVLTBDAXDU447889 YEAR 2013 MAKE/MODEL DOOSAN L8 8KW
S/A LIGHT
SERIAL NUMBER 4GNFU1018BB021208 YEAR 2011 MAKE/MODEL WHISPERWATT
25 KW GEN
SERIAL NUMBER 4RYC202B8FT114646 YEAR 2015 MAKE/MODEL CHARMAC 20' T/A
PRESSURE
SERIAL NUMBER 4TCSU1854AH187395 YEAR 2010 MAKE/MODEL WACKER G70 58
KW T/A GEN
SERIAL NUMBER 4TCSU1856AH187379 YEAR 2010 MAKE/MODEL WACKER G50 38
KW T/A GEN
Deleted By
23070525047
- 4 SERIAL NUMBER 5AEAA14128H000409 YEAR 2008 MAKE/MODEL ALLMAND NL8
8KW S/A LIGHT
SERIAL NUMBER 5AEAA14189H000156 YEAR 2009 MAKE/MODEL ALLMAND NL8
8KW S/A LIGHT
SERIAL NUMBER 5SLBG14207L001495 YEAR 2007 MAKE/MODEL WHISPERWATT 56
KW S/A GEN
SERIAL NUMBER 7910445467WS YEAR 1979 MAKE/MODEL ALTA FAB 10' X 44'
WELLS
SERIAL NUMBER 961254S2325WSPS YEAR 1995 MAKE/MODEL ALTA-FAB 12' X 54'
WELLS
SERIAL NUMBER C97008600 YEAR 1997 MAKE/MODEL AGGREKO 10,000L FUEL TA
SERIAL NUMBER CLHU2615109 YEAR 2000 MAKE/MODEL 8' X 20' SHIPPING
CONTAIN
SERIAL NUMBER DSZU400290 YEAR 2010 MAKE/MODEL 8' X 40' SHIPPING
CONTAIN
SERIAL NUMBER N0NU1019180 YEAR 1900 MAKE/MODEL 8' X 40 SHIPPING
CONTAIN
SERIAL NUMBER N0NU1028181 YEAR 1900 MAKE/MODEL 8" X 40' SHIPPING
CONTAIN
SERIAL NUMBER NAL1676981116 YEAR 1998 MAKE/MODEL NOBLE 16' X 80'
SKIDLESS
SERIAL NUMBER NDM477341 YEAR 2013 MAKE/MODEL CASE SKID STEER

Search ID #: Z16762581

- 5 SERIAL NUMBER NWTXL640 YEAR 1900 MAKE/MODEL GNS 10' X 40' SKID
SERIAL NUMBER SUZU4001660 YEAR 1900 MAKE/MODEL 8' X 40 SHIPPING
CONTAINER
SERIAL NUMBER TK00034 YEAR 1900 MAKE/MODEL AGGREKO 2300 GAL SKID
MOU
SERIAL NUMBER TTNU1637218 YEAR 2003 MAKE/MODEL 8" X20" SHIPPING
CONTAINER
SERIAL NUMBER WST1030G017 YEAR 1995 MAKE/MODEL ULTRA-FAB WELLSITE
SERIAL NUMBER WST209 YEAR 2014 MAKE/MODEL ULC 4800L SKID FUEL TANK
SERIAL NUMBER WST213 YEAR 2014 MAKE/MODEL ULC 4800L SKID MOUNTED F
SERIAL NUMBER PE4045T362215 YEAR 2013 MAKE/MODEL JOHN DEERE 75/50KW
DOUBLE GEN
SERIAL NUMBER SO38209-1 YEAR 2014 MAKE/MODEL JOHN DEERE GEN SET
SERIAL NUMBER 0138505/15 YEAR 2014 MAKE/MODEL 175 KW GENSET
SERIAL NUMBER NAL-1660-01-1382 MAKE/MODEL NOBLE ACCEPTANCE SALE
TRAILER
SERIAL NUMBER NAL-1240-03-1991 MAKE/MODEL NOBLE ACCEPTANCE SCALE
TRAILER
SERIAL NUMBER INDICATOR 137700093 BASE 05-257 MAKE/MODEL PRECISION
GIANT INDICATOR 920I BASE ETS-109080-4PV
SERIAL NUMBER INDICATOR 1437200091 BASE 07-323 MAKE/MODEL PRECISION
GIANT INDICATOR 920I BASE ETS-109080-4PV
SERIAL NUMBER INDICATOR 1447730041 BASE 07-341 MAKE/MODEL PRECISION
GIANT INDICATOR 920I BASE ETS-109080-4PV
- 6 SERIAL NUMBER 244970871 YEAR 1997 MAKE/MODEL ATCO 11' X 44' WELLSITE
SERIAL NUMBER 260927513 YEAR 1992 MAKE/MODEL 2-1 250 GAL HOLDING TANK
SERIAL NUMBER 0043ML01 YEAR 2001 MAKE/MODEL ALLMAND 8 KW S/A LIGHT
SERIAL NUMBER 395730ULR819 YEAR 1900 MAKE/MODEL INGERSOLL-RAND L8
8KW S/A
SERIAL NUMBER 4FVGMBBBS6U36487 YEAR 2006 MAKE/MODEL INGERSOLL RAND
G60 46K
SERIAL NUMBER 4FVLTBDAXDU447889 YEAR 2013 MAKE/MODEL DOOSAN L8 8KW
S/A LIGHT
- 7 SERIAL NUMBER 5SLBG14207L001495 YEAR 2007 MAKE/MODEL WHISPERWATT 56
KW S/A GEN
SERIAL NUMBER NAL1676981116 YEAR 1998 MAKE/MODEL NOBLE 16' X 80'
SKIDLESS
SERIAL NUMBER NDM477341 YEAR 2013 MAKE/MODEL CASE SKID STEER
- 8 SERIAL NUMBER PE4045T362215 YEAR 2013 MAKE/MODEL JOHN DEERE 75/50KW
DOUBLE GEN
SERIAL NUMBER SO38209-1 YEAR 2014 MAKE/MODEL JOHN DEERE GEN SET
SERIAL NUMBER 0138505/15 YEAR 2014 MAKE/MODEL 175 KW GENSET
SERIAL NUMBER NAL-1660-01-1382 MAKE/MODEL NOBLE ACCEPTANCE SALE
TRAILER
SERIAL NUMBER NAL-1240-03-1991 MAKE/MODEL NOBLE ACCEPTANCE SCALE
TRAILER
SERIAL NUMBER INDICATOR 137700093 BASE 05-257 MAKE/MODEL PRECISION
GIANT INDICATOR 920I BASE ETS-109080-4PV
SERIAL NUMBER INDICATOR 1437200091 BASE 07-323 MAKE/MODEL PRECISION
GIANT INDICATOR 920I BASE ETS-109080-4PV
SERIAL NUMBER INDICATOR 1447730041 BASE 07-341 MAKE/MODEL PRECISION
GIANT INDICATOR 920I BASE ETS-109080-4PV
- Deleted By
23070525047
- Current By
23070525047
- Current By
23070525047
- Current By
23070525047

Search ID #: Z16763253

Transmitting Party

FASKEN MARTINEAU DUMOULIN LLP

3400, 350 7 Avenue SW
Calgary, AB T2P 3N9

Party Code: 60008049

Phone #: 403 261 5359

Reference #: 318938.00001

Search ID #: Z16763253

Date of Search: 2023-Nov-13

Time of Search: 12:03:20

Business Debtor Search For:

AMI SILICA INC.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16763253

Business Debtor Search For:

AMI SILICA INC.

Search ID #: Z16763253

Date of Search: 2023-Nov-13

Time of Search: 12:03:20

Registration Number: 23022736156

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Feb-27

Registration Status: Current

Expiry Date: 2048-Feb-27 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 AMI SILICA INC.
C/O 1319-91 STREET SW
EDMONTON, AB T6X 1H1

Secured Party / Parties

Block

Status

Current

1 JMAC ENERGY SERVICES LLC
C/O FIELD LLP, 400-444 7 AVENUE SW
CALGARY, AB T2P 0X8
Email: jon@jmacresources.com

Collateral: General

Block

Description

Status

1 All present and after acquired personal property of the debtor.

Current

2 Proceeds: all present and after acquired personal property of the debtor.

Current

Search ID #: Z16763253

Business Debtor Search For:

AMI SILICA INC.

Search ID #: Z16763253

Date of Search: 2023-Nov-13

Time of Search: 12:03:20

Registration Number: 23022736166

Registration Type: LAND CHARGE

Registration Date: 2023-Feb-27

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 AMI SILICA INC.
C/O 1319 - 91 STREET SW
EDMONTON, AB T6X 1H1

Secured Party / Parties

Block

Status

Current

1 JMAC ENERGY SERVICES LLC
C/O FIELD LLP, 400-444 7 AVE SW
CALGARY, AB T2P 0X8
Email: jon@jmacresources.com

Result Complete

Search ID #: Z16763262

Transmitting Party

FASKEN MARTINEAU DUMOULIN LLP

3400, 350 7 Avenue SW
Calgary, AB T2P 3N9

Party Code: 60008049

Phone #: 403 261 5359

Reference #: 318938.00001

Search ID #: Z16763262

Date of Search: 2023-Nov-13

Time of Search: 12:04:59

Business Debtor Search For:

AMI ROCKCHAIN INC.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16763262

Business Debtor Search For:

AMI ROCKCHAIN INC.

Search ID #: Z16763262

Date of Search: 2023-Nov-13

Time of Search: 12:04:59

Registration Number: 23022736128

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Feb-27

Registration Status: Current

Expiry Date: 2048-Feb-27 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 AMI ROCKCHAIN INC.
C/O 1319-91 STREET SW
EDMONTON, AB T6X 1H1

Current

Secured Party / Parties

Block

Status

1 JMAC ENERGY SERVICES LLC
C/O FIELD LLP, 400-444 7 AVENUE SW
CALGARY, AB T2P 0X8
Email: jon@jmacresources.com

Current

Collateral: General

Block

Description

Status

1 All present and after acquired personal property of the debtor.

Current

2 Proceeds: all present and after acquired personal property of the debtor.

Current

Search ID #: Z16763262

Business Debtor Search For:

AMI ROCKCHAIN INC.

Search ID #: Z16763262

Date of Search: 2023-Nov-13

Time of Search: 12:04:59

Registration Number: 23022736134

Registration Type: LAND CHARGE

Registration Date: 2023-Feb-27

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 AMI ROCKCHAIN INC.
C/O 1319 - 91 STREET SW
EDMONTON, AB T6X 1H1

Secured Party / Parties

Block

Status

Current

1 JMAC ENERGY SERVICES LLC
C/O FIELD LLP, 400-444 7 AVE SW
CALGARY, AB T2P 0X8
Email: jon@jmacresources.com

Result Complete

Search ID #: Z16763251

Transmitting Party

FASKEN MARTINEAU DUMOULIN LLP

3400, 350 7 Avenue SW
Calgary, AB T2P 3N9

Party Code: 60008049

Phone #: 403 261 5359

Reference #: 318938.00001

Search ID #: Z16763251

Date of Search: 2023-Nov-13

Time of Search: 12:02:51

Business Debtor Search For:

AMI AGGREGATES INC.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16763251

Business Debtor Search For:

AMI AGGREGATES INC.

Search ID #: Z16763251

Date of Search: 2023-Nov-13

Time of Search: 12:02:51

Registration Number: 23022736097

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Feb-27

Registration Status: Current

Expiry Date: 2048-Feb-27 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 AMI AGGREGATES INC.
C/O 1319-91 STREET SW
EDMONTON, AB T6X 1H1

Current

Secured Party / Parties

Block

Status

1 JMAC ENERGY SERVICES LLC
C/O FIELD LLP, 400-444 7 AVENUE SW
CALGARY, AB T2P 0X8
Email: jon@jmacresources.com

Current

Collateral: General

Block

Description

Status

1 All present and after acquired personal property of the debtor.

Current

2 Proceeds: all present and after acquired personal property of the debtor.

Current

Search ID #: Z16763251

Business Debtor Search For:

AMI AGGREGATES INC.

Search ID #: Z16763251

Date of Search: 2023-Nov-13

Time of Search: 12:02:51

Registration Number: 23022736106

Registration Date: 2023-Feb-27

Registration Type: LAND CHARGE

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 AMI AGGREGATES INC.
C/O 1319-91 STREET SW
EDMONTON, AB T6X 1H1

Secured Party / Parties

Block

Status

Current

1 JMAC ENERGY SERVICES LLC
C/O FIELD LLP, 400-444 7 AVE SW
CALGARY, AB T2P 0X8
Email: jon@jmacresources.com

Result Complete

Search ID #: Z16763256

Transmitting Party

FASKEN MARTINEAU DUMOULIN LLP

3400, 350 7 Avenue SW
Calgary, AB T2P 3N9

Party Code: 60008049

Phone #: 403 261 5359

Reference #: 318938.00001

Search ID #: Z16763256

Date of Search: 2023-Nov-13

Time of Search: 12:04:06

Business Debtor Search For:

2140534 ALBERTA LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16763256

Business Debtor Search For:

2140534 ALBERTA LTD.

Search ID #: Z16763256

Date of Search: 2023-Nov-13

Time of Search: 12:04:06

Registration Number: 23022736217

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Feb-27

Registration Status: Current

Expiry Date: 2048-Feb-27 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 2140534 ALBERTA LTD.
C/O 1319-91 STREET SW
EDMONTON, AB T6X 1H1

Current

Secured Party / Parties

Block

Status

1 JMAC ENERGY SERVICES LLC
C/O FIELD LLP, 400-444 7 AVENUE SW
CALGARY, AB T2P 0X8
Email: jon@jmacresources.com

Current

Collateral: General

Block

Description

Status

1 All present and after acquired personal property of the debtor.

Current

2 Proceeds: all present and after acquired personal property of the debtor.

Current

Search ID #: Z16763256

Business Debtor Search For:

2140534 ALBERTA LTD.

Search ID #: Z16763256

Date of Search: 2023-Nov-13

Time of Search: 12:04:06

Registration Number: 23022736239

Registration Type: LAND CHARGE

Registration Date: 2023-Feb-27

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 2140534 ALBERTA LTD.
C/O 1319 - 91 STREET SW
EDMONTON, AB T6X 1H1

Secured Party / Parties

Block

Status

Current

1 JMAC ENERGY SERVICES LLC
C/O FIELD LLP, 400-444 7 AVE SW
CALGARY, AB T2P 0X8
Email: jon@jmacresources.com

Result Complete

Search ID #: Z16763254

Transmitting Party

FASKEN MARTINEAU DUMOULIN LLP

3400, 350 7 Avenue SW
Calgary, AB T2P 3N9

Party Code: 60008049

Phone #: 403 261 5359

Reference #: 318938.00001

Search ID #: Z16763254

Date of Search: 2023-Nov-13

Time of Search: 12:03:44

Business Debtor Search For:

2132561 ALBERTA LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16763254

Business Debtor Search For:

2132561 ALBERTA LTD.

Search ID #: Z16763254

Date of Search: 2023-Nov-13

Time of Search: 12:03:44

Registration Number: 23022736175

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Feb-27

Registration Status: Current

Expiry Date: 2048-Feb-27 23:59:59

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

1 2132561 ALBERTA LTD.
C/O 1319-91 STREET SW
EDMONTON, AB T6X 1H1

Current

Secured Party / Parties

Block

Status

1 JMAC ENERGY SERVICES LLC
C/O FIELD LLP, 400-444 7 AVENUE SW
CALGARY, AB T2P 0X8
Email: jon@jmacresources.com

Current

Collateral: General

Block

Description

Status

1 All present and after acquired personal property of the debtor.

Current

2 Proceeds: all present and after acquired personal property of the debtor.

Current

Search ID #: Z16763254

Business Debtor Search For:

2132561 ALBERTA LTD.

Search ID #: Z16763254

Date of Search: 2023-Nov-13

Time of Search: 12:03:44

Registration Number: 23022736181

Registration Type: LAND CHARGE

Registration Date: 2023-Feb-27

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 2132561 ALBERTA LTD.
C/O 1319 - 91 STREET SW
EDMONTON, AB T6X 1H1

Secured Party / Parties

Block

Status

Current

1 JMAC ENERGY SERVICES LLC
C/O FIELD LLP, 400-444 7 AVE SW
CALGARY, AB T2P 0X8
Email: jon@jmacresources.com

Result Complete

Search ID #: Z16763258

Transmitting Party

FASKEN MARTINEAU DUMOULIN LLP

3400, 350 7 Avenue SW
Calgary, AB T2P 3N9

Party Code: 60008049

Phone #: 403 261 5359

Reference #: 318938.00001

Search ID #: Z16763258

Date of Search: 2023-Nov-13

Time of Search: 12:04:29

Business Debtor Search For:

TERRASHIFT ENGINEERING LTD.

Exact Result(s) Only Found

NOTE:

A complete Search may result in a Report of Exact and Inexact Matches.
Be sure to read the reports carefully.



Search ID #: Z16763258

Business Debtor Search For:

TERRASHIFT ENGINEERING LTD.

Search ID #: Z16763258

Date of Search: 2023-Nov-13

Time of Search: 12:04:29

Registration Number: 23022736078

Registration Type: SECURITY AGREEMENT

Registration Date: 2023-Feb-27

Registration Status: Current

Expiry Date: 2048-Feb-27 23:59:59

Exact Match on: Debtor No: 1

Debtor(s)

Block

Status

1 TERRASHIFT ENGINEERING LTD.
C/O 1319-91 STREET SW
EDMONTON, AB T6X 1H1

Current

Secured Party / Parties

Block

Status

1 JMAC ENERGY SERVICES LLC
C/O FIELD LLP, 400-444 7 AVENUE SW
CALGARY, AB T2P 0X8
Email: jon@jmacresources.com

Current

Collateral: Serial Number Goods

<u>Block</u>	<u>Serial Number</u>	<u>Year</u>	<u>Make and Model</u>	<u>Category</u>	<u>Status</u>
1	1GCSKSE39AZ258063	2010	CHEVROLET 1500 SILVERADO	MV - Motor Vehicle	Current

Collateral: General

<u>Block</u>	<u>Description</u>	<u>Status</u>
1	All present and after acquired personal property of the debtor.	Current
2	Proceeds: all present and after acquired personal property of the debtor.	Current

Search ID #: Z16763258

3	SERIAL NUMBER 08QCEAL0227SY3 MAKE DJI MODEL MAVIC PRO MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.075 MM MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.08 MM MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.08 MM MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.08 MM MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.08 MM SERIAL NUMBER 11156573 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.125 MM SERIAL NUMBER 1167323 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.15 MM SERIAL NUMBER 10336815 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.18 MM SERIAL NUMBER 9256880 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.212 MM SERIAL NUMBER 10467149 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.25 MM SERIAL NUMBER 10467139 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.3 MM SERIAL NUMBER 10427069 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.425 MM SERIAL NUMBER 9517316 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.5 MM SERIAL NUMBER 10199236 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.6 MM SERIAL NUMBER 1068906 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 0.71 MM SERIAL NUMBER 1197657 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 1 MM SERIAL NUMBER 10526915 MAKE U.S.A STANDARD TEST SIEVE MODEL ASTM E-11 - 1.18 MM SERIAL NUMBER 7146841 MAKE CANADIAN STANDARD TESTING SIEVE MODEL CAN/CGSB-8.2-M - 0.09 MM SERIAL NUMBER 7476935 MAKE CANADIAN STANDARD TESTING SIEVE MODEL CAN/CGSB-8.2-M - 0.106 MM	Current
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Search ID #: Z16763258

- 4 SERIAL NUMBER 7146823 MAKE CANADIAN STANDARD TESTING SIEVE MODEL Current
CAN/CGSB-8.2-M - 0.355 MM
SERIAL NUMBER 8469811 MAKE CANADIAN STANDARD TESTING SIEVE MODEL
CAN/CGSB-8.2-M - 2 MM
SERIAL NUMBER 4227707 MAKE CANADIAN METRIC SIEVE SERIES CAN/CGSB-8.2-
M - 20 MM
MAKE CANADIAN METRIC SIEVE SERIES MODEL CGSB STANDARD 8 GP2M - 20 MM
SERIAL NUMBER 13030711 MAKE VJ TESTING EQUIPMENT MODEL ISO 3310 - 19
MM
SERIAL NUMBER 13030748 MAKE VJ TESTING EQUIPMENT MODEL ISO 3310 - 37.5
MM
SERIAL NUMBER 12120209 MAKE VJ TESTING EQUIPMENT MODEL ISO 3310 - 50
MM
MAKE 200 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.08 MM
MAKE 201 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.08 MM
MAKE 202 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.08 MM
MAKE 203 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.08 MM
MAKE 204 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.16 MM
MAKE 205 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.16 MM
MAKE 206 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.16 MM
MAKE 207 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.315 MM
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MAKE 209 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.315 MM
MAKE 210 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.315 MM
MAKE 211 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.63 MM
MAKE 212 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.63 MM
- 5 MAKE 213 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.63 MM Current
MAKE 214 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 0.63 MM
MAKE 215 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 1.25 MM
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MAKE 224 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 5 MM
MAKE 225 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 10 MM
MAKE 226 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 10 MM
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MAKE 228 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 10 MM
MAKE 229 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 12.5 MM
MAKE 230 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 12.5 MM
MAKE 231 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 16 MM
MAKE 232 MM DIAMETER METRIC SIEVE MODEL ISO 3310-1 - 16 MM
- 6 SERIAL NUMBER 409803 MAKE LABRATORY TEST SIEVE ENDECOTTS LTD MODEL Current
ISO 565 - 25 MM
MAKE CANADIAN STANDARD TESTING SIEVE MODEL - 4.75 MM
MAKE CANADIAN STANDARD TESTING SIEVE MODEL - 20 MM
MAKE STANDARD TESTING SIEVE THE WESTERN GROUP MODEL - 40 MM

Search ID #: Z16763258

Business Debtor Search For:

TERRASHIFT ENGINEERING LTD.

Search ID #: Z16763258

Date of Search: 2023-Nov-13

Time of Search: 12:04:29

Registration Number: 23022736089

Registration Type: LAND CHARGE

Registration Date: 2023-Feb-27

Registration Status: Current

Registration Term: Infinity

Exact Match on:

Debtor

No: 1

Debtor(s)

Block

Status

Current

1 TERRASHIFT ENGINEERING LTD.
C/O 1319 91 STREET SW
EDMONTON, AB T6X 1H1

Secured Party / Parties

Block

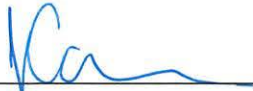
Status

Current

1 JMAC ENERGY SERVICES LLC
C/O FIELD LLP, 400-444 7 AVE SW
CALGARY, AB T2P 0X8
Email: jon@jmacresources.com

Result Complete

This is Exhibit "M"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd.,
AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., TerraShift Engineering Ltd.
Cash Flow Forecast
December 04, 2023 to March 03, 2024

		Forecast Week 1	Forecast Week 2	Forecast Week 3	Forecast Week 4	Forecast Week 5	Forecast Week 6	Forecast Week 7	Forecast Week 8	Forecast Week 9	Forecast Week 10	Forecast Week 11	Forecast Week 12	Forecast Week 13	Total
For the week ending, In CAD	Notes	10-Dec-23	17-Dec-23	24-Dec-23	31-Dec-23	7-Jan-24	14-Jan-24	21-Jan-24	28-Jan-24	4-Feb-24	11-Feb-24	18-Feb-24	25-Feb-24	3-Mar-24	
Opening cash balance	1	1,175,887	1,026,387	929,693	851,613	712,466	526,533	389,333	1,062,284	1,072,284	985,897	1,007,478	522,484	522,484	1,175,887
Cash Receipts															
Cash Collections	2	-	-	-	-	2,167	100,000	676,645	40,000	44,460	46,581	14,000	-	4,460	928,313
		-	-	-	-	2,167	100,000	676,645	40,000	44,460	46,581	14,000	-	4,460	928,313
Cash Disbursements															
Operating Expenses															
Wages, salaries, and benefits	3	-	57,800	64,080	57,800	4,100	70,000	-	-	70,000	-	65,000	-	262,240	651,020
Utilities	4	-	200	-	1,500	-	200	-	-	-	-	1,800	-	-	3,700
Other operating expenses	5	29,500	18,694	14,000	29,987	-	50,000	3,694	10,000	45,987	25,000	33,694	-	48,987	309,543
Rent	6	-	-	-	14,860	-	-	-	-	14,860	-	-	-	14,860	44,580
		29,500	76,894	78,080	104,147	4,100	120,200	3,694	10,000	130,847	25,000	100,494	-	326,087	1,008,843
Other Disbursements															
AMI Silicia LLC - funding	2	-	1,770,000	-	1,080,000	-	-	-	-	-	-	-	-	-	2,850,000
Total other disbursements	7	-	-	-	-	184,000	2,000	-	-	-	-	316,000	-	-	502,000
Anticipated capital expenditures	8	-	20,000	-	10,000	-	-	-	20,000	-	-	2,500	-	-	52,500
		-	1,790,000	-	1,090,000	184,000	2,000	-	20,000	-	-	318,500	-	-	3,404,500
Debt Repayment															
Interest & principal		-	-	-	-	-	-	-	-	-	-	-	-	-	-
Total disbursements		29,500	1,866,694	78,080	1,194,147	188,100	122,200	3,694	30,000	130,847	25,000	418,994	-	326,087	4,413,343
Professional Costs	9														
Company counsel legal fees		50,000	-	-	-	-	50,000	-	-	-	-	35,000	-	-	135,000
Trustee fees		50,000	-	-	-	-	50,000	-	-	-	-	35,000	-	-	135,000
Trustee's counsel fees		20,000	-	-	-	-	15,000	-	-	-	-	10,000	-	-	45,000
Total Professional Costs		120,000	-	-	-	-	115,000	-	-	-	-	80,000	-	-	315,000
Net cash flow		(149,500)	(1,866,694)	(78,080)	(1,194,147)	(185,933)	(137,200)	672,951	10,000	(86,387)	21,581	(484,994)	-	(321,627)	(3,800,030)
Interim financing															
Interim financing advances / (repayments)	10	-	1,770,000	-	1,055,000	-	-	-	-	-	-	-	-	-	2,825,000
Closing cash (operating line) balance		1,026,387	929,693	851,613	712,466	526,533	389,333	1,062,284	1,072,284	985,897	1,007,478	522,484	522,484	200,857	200,857

Management of Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd., AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., TerraShift Engineering Ltd. (collectively "AMI" or the "Companies") has prepared this forecasted cash-flow statement (the "Cash Flow Forecast") based on probable and hypothetical assumptions detailed in Notes 1 to 10. The Cash Flow Forecast has been prepared on a consolidated basis, as the Companies will be seeking a consolidation order at the first extension application. The Cash Flow Forecast has been prepared solely for the purpose of supporting the Notice of Intention to Make a Proposal ("NOI") filed by each of the Companies on November 13, 2023. As such, readers are cautioned that it may not be appropriate for their purposes. The Cash Flow Forecast of the Companies is prepared in accordance with the provisions of the *Bankruptcy and Insolvency Act* and should be read in conjunction with the Trustee's Report on the Cash-flow Statement.

Dated at the City of Calgary in the Province of Alberta, this 6th day of December 2023.

Athabasca Minerals Inc., 2132561 Alberta Ltd., 2140534 Alberta Ltd.,
AMI Aggregates Inc., AMI RockChain Inc., AMI Silicia Inc., TerraShift Engineering Ltd.
Per:

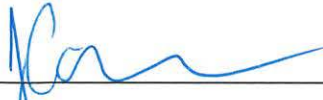
David Churchill
Chief Financial Officer

KSV Restructuring Inc.

Per:

Andrew Basi, CPA, CA, CIRP, LIT
Managing Director

This is Exhibit "N"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

RESOLUTION OF THE GOVERNORS OF **AMI SILICA LLC** (THE "CORPORATION") PASSED EFFECTIVE AS OF DECEMBER 04, 2023 PURSUANT TO THE NORTH DAKOTA BUSINESS CORPORATION ACT

WHEREAS:

- A. The Governors have determined that the Corporation's operations require additional capital in order for the Corporation to meet its obligations, to continue in its business, and to pursue opportunities available to the Corporation;
- B. Due to the Corporation's current financial challenges, and the uncertainty that may exist in respect of the Corporation's Members, the Corporation is unable to obtain conventional financing and the Governors have determined that a form of cash call upon the Members is in the best interests of the Corporation;
- C. The Corporation has determined that a Member loan in the amount of US\$3,400,000 (the "Loan Funds") is required to cover the working capital shortfall to the end of February 2024;
- D. The Members of the Corporation, being Athabasca Minerals Inc. and JMAC Energy Services LLC (the "Members"), have agreed to provide a short-term loan to the Corporation. The loan will be provided proportionately based on Member units with each Member contributing fifty (50) percent of the required Loan Funds;
- E. The Members will provide the Loan Funds in two (2) installments, the first being on or before December 15, 2023 and the second being on or before December 30, 2023.

NOW THEREFORE BE IT RESOLVED THAT:

The Corporation be and is hereby authorized and directed to borrow the amount of the Loan Funds from the Corporation's Members. The Loan Funds will be repayable at such a time as the Corporation is financially able and upon approval of the Corporation's Governors.

GENERAL

BE IT RESOLVED THAT any Governor or officer of the Corporation be and is hereby authorized to execute and deliver all such deeds, documents and assurances and do all such things as may be necessary to give effect to this resolution.

The undersigned, being all the Governors of the Corporation, hereby pass the foregoing Resolution.

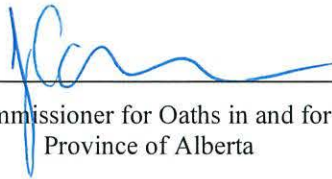
Todd Erickson

John David Churchill

Jonathan McCreary

Dale Nolan

This is Exhibit "O"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 10th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

ATHABASCA MINERALS INC.

Terms and Conditions for Debtor-in-Possession Financing
(the "Term Sheet")

This Term Sheet summarizes the proposed credit facility ("**DIP Facility**") between Athabasca Minerals Inc. ("**Athabasca**" or the "**Borrower**") and JMAC Energy Services LLC (the "**Lender**").

Borrower: Athabasca Minerals Inc., as a debtor-in-possession in a restructuring pursuant to the *Bankruptcy and Insolvency Act* (Canada) (the "**BIA**") by commencing proceedings (the "**BIA Proceedings**").

Lender: JMAC Energy Services LLC

DIP Facility: The "**DIP Facility**" provides for a loan of up to an aggregate of **\$2,850,000** (together, the "**Principal Amount**") over and above the amounts advanced under the Loan Agreement, and the provisions in this Term Sheet shall bind the parties. The Principal Amount is inclusive of the DIP Facility Fee (as defined herein) and Expenses (as defined herein) set out herein (collectively, the "**Loan**"), from the Closing Date, as defined below, to the expiry of the term, provided that:

- (a) at the time of the making the Loan, no default or event of default under the DIP Facility shall exist or be continuing;
- (b) the Borrower shall be in compliance with the Budget (as hereinafter defined); and
- (c) the Borrower shall at all times utilize the Loan for the Purpose (as defined herein).

Purpose: The Principal Amount will be used exclusively for:

- (a) funding the Borrower's ordinary course working capital needs; and
- (b) paying key senior Athabasca employees retention bonuses, the quantum of which has been approved by the Lender in advance,

and for no other purpose (collectively, the "**Purpose**"), unless the Lender has provided its prior written consent for such use, which consent may be withheld in its discretion. For the avoidance of doubt, the Borrower is prohibited from using any portion of the Principal Amount to repay any existing debt other than accounts payable due in the ordinary course of business.

Interest Rate: All amounts owing hereunder on account of the principal, overdue interest, fees and expenses shall bear interest at the rate of 18% per annum payable in cash monthly in arrears on the last day of each calendar month.

DIP Facility Fee: As consideration for the Lender entering into the DIP Facility, the Borrower will pay a cash fee to the Lender in the amount of \$25,000 (the "**DIP Facility Fee**"), which will be earned in full on the Closing Date, added to the Loan, and payable in full concurrently with the full repayment of the Loan in accordance with this Term Sheet.

Expenses: The Borrower shall reimburse the Lender for all of the Lender's reasonable out-of-pocket costs and expenses relating to this financing transaction (the "**Expenses**"), and the transactions contemplated thereby and the BIA Proceedings, including solicitor-client fees and disbursements on a solicitor and his own client, full indemnity basis. The Expenses will be added to the Loan and will be payable in accordance with this Term Sheet.

Term: All amounts owing to the Lender under the DIP Facility shall be due and payable on the earliest of the occurrence of any of the following:

- (a) three months following the Closing Date (as defined below);
- (b) an Event of Default in respect of which the DIP Lender has elected in its sole discretion to accelerate all amounts owing and demand repayment.

Closing Date: The DIP Facility shall close on the first date, which date shall not be later than December 13, 2023, on which all conditions precedent to the effectiveness of the DIP Facility have been satisfied (the "**Closing Date**").

Use of Proceeds: All advances are subject to compliance with the covenants governing the DIP Facility and withdrawals set forth in the Budget.

All repayments of the Loan, including the DIP Facility Fee and Expenses, shall be paid to the Lender.

Collateral: All obligations of the Borrower to the Lender arising hereunder shall be:

- (a) entitled to a super-priority charge under the BIA (the "**DIP Charge**"), subordinated only to an administration charge ("**Administration Charge**") in favor of the Borrower's legal counsel and KSV Advisory Inc. (the "**Proposal Trustee**") and its legal counsel; and
- (b) secured by a security interest in and lien on all of the present and after-acquired personal property and real property, tangible or intangible, of the Borrower, including, without limitation, all accounts receivable, inventory, plant and equipment, intellectual property, real estate, leasehold interests, avoidance actions, and all of the shares of each subsidiary of the Borrower.

All borrowings by the Borrower, the DIP Facility Fee, the Expenses of the Lender and all other obligations owed to the Lender under the DIP Facility shall be secured as described above.

Conditions: The obligation of the Lender to make any loans under the DIP Facility will be subject to the following special conditions precedent:

- (a) the conditions precedent contained herein shall have been satisfied in a manner satisfactory to the Lender;

- (b) no material adverse change shall have occurred since the date of the DIP Amendment, and any audit opinion containing a going concern statement shall not be deemed a material adverse change;
- (c) no default or Event of Default (as defined below) shall exist under the DIP Facility;
- (d) an order by the Court of King's Bench of Alberta (the "**BIA Court**") having jurisdiction over the BIA Proceedings, which order shall be, in respect of the DIP Facility, in a form and substance satisfactory to the Lender (the "**Approval Order**") and shall have been entered by the BIA Court no later than December 12, 2024. The Approval Order shall provide that the liens granted in favor of the Lender shall have the priority set forth in the "Collateral" section of this Term Sheet;
- (e) the Lender shall have received a budget for the Borrower, in form and substance satisfactory to the Lender, including weekly projections and monthly projections through to February 11, 2024, including cash flow statements and a statement of operations on a consolidated basis (the "**Budget**"); and
- (f) the Lender shall be satisfied in its reasonable discretion with the Borrower having required governmental and third-party approvals, consents, licenses and permits to conduct their business and to borrow under the DIP Facility.

Ongoing Obligations: From the Closing Date until full repayment of the DIP Facility, the Borrower:

- (a) will provide the Lender with a full weekly accounting of all receipts and disbursements for Athabasca (including a comparison to the Budget), which weekly accounting shall be provided no later than 5:00 p.m. on Thursday of the following week;
- (b) will provide any other accounting or reporting as the Lender may request from time to time, including but not limited to, evidence of payment of all government priority payables; and
- (c) will use the Principal Amount exclusively for the Purpose.

Events of Default: An "**Event of Default**" under the DIP Facility shall occur if:

- (a) the Borrower fails to comply with any of the terms and conditions contained in this Term Sheet which, for the avoidance of doubt, includes the obligation of the Borrower to use the Principal Amount exclusively for the Purpose, except for defaults of such terms existing before December 12, 2023;
- (b) the BIA Proceedings are terminated or, without the prior written consent of the Lender, converted to a receivership or bankruptcy;

- (c) the BIA Court grants a super-priority claim that is senior to or *pari passu* with the DIP Charge, other than the Administration Charge;
- (d) the Approval Order is stayed, amended or modified in a manner materially adverse to the Lender, or is reversed or vacated;
- (e) a plan of arrangement is filed in the BIA Proceedings which does not provide for repayment in full in cash of the Borrower's obligations hereunder or under the Loan Agreement;
- (f) the Borrower takes any action, including the filing of an application, in support of any of the foregoing, or any person or entity other than the Borrower does so, and any such application is not contested in good faith by the Borrower and the relief requested in such application is granted in an order that is not stayed pending appeal; or
- (g) the BIA Court enters an order granting relief from the automatic stay under the BIA Proceedings to the holder of any security interest in any asset of the Borrower.

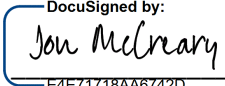
Remedies on Default: Upon the occurrence of any Event of Default, the Lender shall provide the Borrower and the Proposal Trustee with notice of the Event of Default, and the Borrower shall have five business days from the date of notice to cure the Event of Default. If the Event of Default is not cured within the five business day cure period, in addition to any remedy otherwise provided in law, the Lender shall be entitled to exercise the following remedies in its sole discretion:

- (a) accelerating the balance of the Loan and demanding full payment of the balance of the Loan immediately; and/or
- (b) applying for the appointment of a receiver or a receiver and manager for Athabasca.

Governing Law: All documentation in connection with the DIP Facility shall be governed by the laws of the Province of Alberta.

Assignments and Participations: The Lender may sell or assign to one or more other persons their loan or commitment under the DIP Facility without the consent of the Borrower.


JMAC ENERGY SERVICES LLC

Per: 
Jon McCreary
Chief Executive Officer

ATHABASCA MINERALS INC.

Per: _____

This is Exhibit "P"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

LETTER OF INTENT

December 5, 2023

Athabasca Minerals Inc.
Suite 1730, 407 – 2nd Street S.W.
Calgary, Alberta T2P 2Y3

Attention: David Churchill

This letter of intent (the "**LOI**") sets out the proposed terms of a transaction (the "**Transaction**"), pursuant to which JMAC Energy Services LLC or a related party (together, "**JMAC**") would acquire the assets ("**Assets**") of Athabasca Minerals Inc. ("**Athabasca**" and together with JMAC, the "**Parties**"), subject to proposal proceedings in the Court of King's Bench of Alberta (the "**Court**") under the *Bankruptcy and Insolvency Act* (Canada) and the Sales and Investment Solicitation Process ("**SISP**") referred to therein.

1. Proposed Transaction – Completion of the SISP

1.1 Subject to approval of the Court and further conditions as set out herein, as consideration for the acquisition of the Assets, JMAC proposes to pay, upon closing of the Transaction ("**Closing**"):

- (a) \$11,000,000 for Athabasca's membership interest (the "**AMI LLC Interest**") in AMI Silica LLC (the "**LLC**"); and
- (b) \$2,000,000 for all of the other assets of Athabasca (the "**Remaining Athabasca Assets**"),

to be paid by the application of all secured debt owed by Athabasca to JMAC, including debtor-in-possession financing and all interest, costs and fees, with the remainder paid in cash at Closing.

1.2 The SISP shall include the following provisions:

- (a) the Transaction shall be presented as a "stalking horse" bid which shall *prima facie* be accepted subject to being superseded by superior bid(s) in the SISP procedures (the "**Bidding Process**");
- (b) materials provided to potential purchasers with the SISP shall recognize and include the right of first refusal ("**ROFR**") currently held by JMAC pursuant to the AMI Silica LLC Operating Agreement; and
- (c) all offers shall be made through the SISP process.

2. Definitive Agreement

2.1 Following approval of the SISP by the Court, JMAC will prepare and promptly submit to Athabasca a definitive agreement (the "**Definitive Agreement**") with respect to the Transaction incorporating the principal terms of the Transaction set forth herein and, in

addition, such other terms and provisions of a more detailed nature as the Parties may agree upon and as are customary for transactions of this nature. During the period commencing upon the execution of this LOI and expiring on February 28, 2023 or such other date as the Parties may agree (the "**Negotiation Period**"), the Parties will diligently negotiate in good faith with a view to completing and executing the Definitive Agreement providing for the Transaction.

- 2.2 In connection with the negotiation of the Definitive Agreement, the Parties agree to work in good faith to determine a transaction structure acceptable to them taking into account tax, securities, corporate, and other considerations, and otherwise consistent with the terms described herein, such that JMAC will have 100% ownership, directly or indirectly, of the business and Assets following completion of the Transaction.
- 2.3 In the Definitive Agreement and subject to the SISP, each of the Parties will make such representations and warranties as are typical in transactions of this nature
- 2.4 The Parties hereby agree that, should the Transaction fail to close, Athabasca will pay JMAC, either by being superseded by a superior bid in the SISP or otherwise, an expense reimbursement in the amount of \$200,000, ranking in priority to all debts of Athabasca.

3. **Due Diligence**

Subject to the SISP, JMAC will have the right to conduct a full due diligence investigation, as more particularly set forth in Section 6 hereof.

4. **Covenants - Athabasca**

During the term of this LOI, Athabasca will ensure that, other than with the prior written consent of JMAC, it:

- (a) conducts its business in the ordinary course in a manner consistent with past practice, including without limitation no extraordinary or unbudgeted expenses;
- (b) maintains its properties and other assets in good working condition (normal wear and tear excepted);
- (c) uses its best efforts to maintain its business, customers, assets and operations as a going concern in accordance with past practice;
- (d) uses commercially reasonable efforts to maintain its employees;
- (e) does not enter into any transaction other than in the ordinary course of its business and consistent with past practice on terms which are arm's length;
- (f) does not incur any further third-party or shareholder debt other than short-term operating liability incurred in the ordinary course of its business and consistent with past practice; and

- (g) gives JMAC prompt written notice of any material change in or affecting the business, affairs, operations, assets, liabilities, or capital of Athabasca.

5. Conditions to Closing

In addition to the matters described elsewhere in this LOI, the completion of the Transaction will be subject to receipt by the Parties of all necessary consents, approvals, and other authorizations of the Court, any regulatory authorities or third parties being obtained, to the sole satisfaction of JMAC (in addition to such other conditions that are usual and customary in such circumstances).

6. Access to Information

Immediately upon the Parties' execution of this LOI, JMAC and its lawyers, accountants, and financial advisors will have full access during normal business hours to all due diligence information provided in the virtual data room established with respect to the anticipated SISP, and additionally JMAC shall have access to the Sales Advisor conducting the SISP and shall be permitted to provide questions to parties through the Sales Advisor with respect to Athabasca's assets, properties, books, accounts, records, tax returns, contacts, and other documents of Athabasca that are pertinent to the subject matter of the Transaction, provided however that such information that is not already in the virtual data room shall be placed there for all bidders to review. All information provided by Athabasca to JMAC either directly or through the Sales Advisor will be on and subject to the terms of a confidentiality and non-disclosure agreement associated with the SISP.

7. Use and Confidentiality

The terms of any draft of the Definitive Agreement between the Parties shall be kept confidential and constitute "Confidential Information" as defined in the Confidentiality Agreement between the parties, unless it is required to be approved by the Court, in which case Athabasca shall use reasonable efforts to obtain a sealing order in respect of the Definitive Agreement. JMAC recognizes that the Court may refuse to grant the sealing order and direct that the definitive document be placed on the record.

8. Closing

Closing will occur as soon as reasonably possible after the satisfaction of all conditions precedent specified herein and in the Definitive Agreement, subject to all applicable laws and receiving all requisite consents and approvals.

9. Exclusivity Provision

Commencing immediately upon execution of this LOI and until the expiry of the SISP effective period, all sales activities for Athabasca's assets shall occur solely within the SISP.

10. Costs and Expenses

Each Party will bear its own expenses in connection with the Transaction and all associated transactions, including, without limitation, the costs and expenses of all legal counsel, engineers, brokers, investment bankers, agents, and finders employed by such Party. The Parties will

indemnify each other against any claims, costs, losses, expenses, or liabilities arising from any claim for commissions, finder's fees, or other compensation in connection with the Transaction, which may be asserted by any person, based on any agreement or arrangement for payment by the other Party.

11. Interpretation

The headings in this LOI are for reference only and shall not affect the interpretation of this LOI. All dollar amounts referred to herein are expressed in Canadian dollars, unless otherwise indicated. This LOI may be amended or modified only by a written instrument executed by authorized representatives of each of the Parties hereto. Whenever the singular is used in this LOI the same shall be construed as meaning the plural if the facts so require.

12. Time

Time will be of the essence.

13. Choice of Law

This LOI will be construed in accordance with the laws of the Province of Alberta and the federal laws of Canada applicable therein, and the Parties attorn to the non-exclusive jurisdiction of the courts of the Province of Alberta in respect of all disputes arising hereunder.

14. Execution in Counterpart

The Parties may execute this LOI in two or more counterparts and the counterparts may be executed and delivered by electronic means, with all counterparts together constituting one agreement, effective as of the date given above.

15. Severability

If any provision of this LOI is void, voidable or unenforceable, then it will be renegotiated by the Parties in a manner generally consistent with the intent of this LOI and, if renegotiating is not possible, it will be read down in a manner consistent with the intent of this LOI. Any illegal or invalid provision of this LOI will be severable and all other provisions will remain in full force and effect.

16. Termination

This LOI will terminate on the earlier of:

- (a) the expiry of the SISP period;
- (b) the entering into of the Definitive Agreement; or
- (c) such other date as may be mutually agreed to between the Parties.

Except as otherwise expressly stated in Section 17 hereof, upon such termination, the provisions of this LOI will be of no further force or effect and no Party will have any liability or obligation to,

nor any rights against, the other Party hereunder, except for breaches of this LOI that occurred prior to termination.

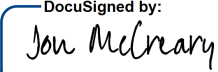
17. Survivability

Subject to the provisions of Sections 1.2, 2.4, 3, 4, 6, 7, 9, 10, 11, 12, 13, 14, 15, 16, and 17 hereof (the "**Binding Provisions**"), which are deemed to be binding upon the Parties, this LOI is intended to be a non-binding letter of intent regarding the Transaction. The Parties will attempt to negotiate a Definitive Agreement generally consistent with the terms of this LOI but intend that no legal rights or obligations between them (other than the Binding Provisions) will come into existence until the Definitive Agreement is signed. Thereafter, when the Definitive Agreement is signed and delivered by all of the parties thereto, their respective legal rights and obligations will then be only those set forth in the Definitive Agreement. The Binding Provisions will survive the termination of this LOI and the termination of discussions and/or negotiations for any reason other than the consummation of the Transaction pursuant to the Definitive Agreement.

If the foregoing accurately sets forth your understanding, please date, sign and return the enclosed copy of this LOI to the attention of the undersigned.

Respectfully,

JMAC ENERGY SERVICES LLC

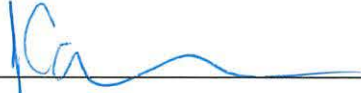
Per:  _____
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Jon McCreary
Chief Executive Officer

AGREED AND ACCEPTED this ____ day of _____, 2023.

ATHABASCA MINERALS INC.

Per: _____

This is Exhibit "Q"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

**Procedure for the Sales and Investment Solicitation Process of
Athabasca Minerals Inc. et al**

1. On November 13, 2023, Athabasca Minerals Inc., TerraShift Engineering Ltd., AMI Silica Inc., AMI Aggregates Inc., AMI RockChain Inc., 2140534 Alberta Ltd., and 2132561 Alberta Ltd. (each a “**Company**” or collectively the “**Companies**”) each filed a notice of intention to make a proposal under the *Bankruptcy and Insolvency Act*, RSC 1985, c B-3, as amended (the “**BIA**”) with the Office of the Superintendent of Bankruptcy. KSV Restructuring Inc. was appointed as proposal trustee of each of the Companies (in such capacity, the “**Proposal Trustee**”).
2. On December 12, 2023, the Companies obtained an order from the Court (the “**Sales Process Order**”), which, among other things, approved the procedure for the Companies' sales and investment solicitation process of the Companies (the “**SISP**”).
3. Set forth below is the procedure to be followed with respect to the SISP to be undertaken to seek a Successful Bid (as defined below), and if there is a Successful Bid, to complete the transactions contemplated by the Successful Bid (the “**SISP Procedure**”).

Defined Terms

4. All monetary references shall be in Canadian dollars, unless otherwise stated.
5. In this SISP Procedure:

“**Approval Order**” means an order of the Court sought by the Companies to approve one or more transactions arising out of this SISP, together with any ancillary relief required to effect such transaction(s);

“**Business**” means the business presently carried on by the Companies;

“**Business Day**” means a day, other than a Saturday, Sunday, or statutory holiday in the Province of Alberta, on which banks are open for business in the City of Calgary;

“**Charging & Consolidation Order**” means the order granted by the Court on December 12, 2023, consolidating the Companies' respective notices of intention to make a proposal proceedings into one Office of the Superintendent in Bankruptcy estate and court file number, approving the Interim Financing Term Sheet and the Interim Financing Obligations, and granting and approving the Court-Ordered Charges;

“**Court**” means the Alberta Court of King’s Bench, (Commercial List, judicial center of Calgary);

“**Court-Ordered Charges**” means the charges created by the Charging & Consolidation Order, totaling a maximum aggregate value of \$3,520,000, comprised of:

- (a) the Administration Charge up to a maximum aggregate value of \$350,000;

- (b) the Interim Lender's Charge up to a maximum aggregate value of \$2,850,000;
- (c) the Directors' Charge up to a maximum aggregate value of \$60,000; and
- (d) the KERP Charge up to a maximum aggregate value of \$260,000;

"Court-Ordered Obligations" means the indebtedness, liabilities and obligations secured by the Court-Ordered Charges;

"Expense Reimbursement" means the amount of \$200,000 payable by the Companies to the Stalking Horse Bidder pursuant to the terms of the Stalking Horse Term Sheet;

"Interim Financing Advances" means advances made to the Companies pursuant to the Interim Financing Term Sheet in the maximum principal amount of \$2,850,000, or such other amount that may be later agreed to;

"Interim Financing Indebtedness" means all indebtedness owing by the Companies to the Interim Lender pursuant to the terms of the Interim Financing Term Sheet, including but not limited to the repayment of the Interim Financing Advances and accrued interest to the date of repayment;

"Interim Financing Term Sheet" means the Term Sheet entered into by the Companies and the Interim Lender and approved by the Court on December 12, 2023;

"Interim Lender" means JMAC Energy Services LLC;

"Outside Date" means March 12, 2024, or such other date as the Companies, the Proposal Trustee, and the Successful Bidder(s) may agree, acting reasonably;

"Property" means all of the Companies' current and future assets, undertakings and properties of every nature and kind whatsoever, and wherever situate, including all proceeds thereof;

"Proposal Proceedings" means collectively the proceedings commenced by the Companies upon the filing of notices of intention to make a proposal to their respective creditors on November 13, 2023 in Court and Estate No.'s: 25-3009380, 25-3009379, 25-3009384, 25-3009385, 25-3009385, 25-3009398 and 25-3009389, respectively;

"Sales Advisor" means Canaccord Genuity Inc.;

"Secured Debt" means the debt owing by the Company to the Secured Party in the principal amount of \$2,000,000 pursuant to the Non-Revolving Term Loan Agreement between the Company as borrower and the Secured Party as lender dated as of February 16, 2023;

"Secured Party" means JMAC Energy Services LLC;

“**Security**” means the General Security Agreement between the Company and the Secured Party dated effective the 28th day of February, 2023 pursuant to which the Company pledged to the Secured Party by way of a fixed and floating charge, all of its undertaking, property (real and personal) and assets, both present and after-acquired, of every nature and kind and wherever situate;

“**Service List**” means the service list attached to the Companies' application materials with respect to obtaining approval of the Sales Process Order;

“**Stalking Horse Term Sheet**” means the term sheet provided by the Stalking Horse Bidder dated December 5, 2023 and attached hereto as **Schedule “C”**;

“**Stalking Horse Bidder**” means JMAC Energy Services LLC;

“**Starting Bid**” means the starting bid at the auction in an amount not to exceed the highest Superior Offer received by the Bid Deadline.

“**Superior Offer**” means a credible, reasonably certain and financially viable third party offer for: A) the acquisition of all or substantially all of the Property or Business contained in the Stalking Horse Term Sheet, or B) an investment, restructuring, recapitalization, refinancing or other form of reorganization of the Companies, the terms of which offer are no less favourable and no more burdensome or conditional than the terms contained in the Stalking Horse Term Sheet, and which at a minimum, alone, or in combination with other offers, provides for consideration on the closing of the Superior Offer of an amount equal to at least:

- i) the total consideration payable pursuant to the Stalking Horse Term Sheet, being \$13,000,000; plus
- ii) the amount of the Expense Reimbursement of \$200,000;

Stalking Horse Term Sheet

6. This SISF is intended to solicit interest in, and opportunities for (the “**Opportunity**”) (i) a sale of all or substantially all of the Property of the Companies or their Business, whether through an asset purchase, share purchase or a combination thereof (“**Sale Proposal**”), or (ii) for an investment in, restructuring, recapitalization, reorganization or refinancing of the Companies or their Business (“**Investment Proposal**”), or a combination thereof.
7. The Stalking Horse Bidder has provided the Stalking Horse Term Sheet, pursuant to which, if there is no Superior Offer or Successful Bid (as defined below) from a party other than the Stalking Horse Bidder, the Stalking Horse Bidder will acquire certain of the Companies' Property or its shares, as detailed in the Stalking Horse Term Sheet, which transaction shall be subject to definitive documents to be entered into by the parties and further approved by the Court.

8. The Purchase Price, as further detailed under the Stalking Horse Term Sheet, is \$13,000,000, comprised of:
 - a. A non-cash credit bid as specified in the Stalking Horse Term Sheet, resulting in:
 - i. a reduction of the Interim Financing Indebtedness in the total aggregate amount of \$2,850,000 as at December 14, 2023, to be adjusted for accrued interest, fees, and expenses as described in the Interim Financing Term Sheet as at closing;
 - ii. a reduction of the Secured Debt in the total aggregate amount of \$2,000,000, to be adjusted for accrued interest, fees, and expenses as at closing;
 - b. The balance of the purchase price to be paid in cash on closing.
9. Notwithstanding the existence of the Stalking Horse Term Sheet, all interested parties are encouraged to submit bids based on any form of Opportunity that they may elect to advance pursuant to this SISP, including as a Sale Proposal or an Investment Proposal.
10. Certain bid protections, such as the Expense Reimbursement, have been approved in respect of the Stalking Horse Term Sheet, subject to the conditions set forth therein, by the Court pursuant to the SISP Approval Order. No other bidder may request or receive any form of bid protection as part of any offer made pursuant to this SISP.
11. The Stalking Horse Bidder shall constitute a Qualified Bidder for the purposes of this SISP.

SISP Procedure

12. The SISP set forth herein describes, among other things, the Property and the Business available for sale, the manner in which prospective bidders may gain access to or continue to have access to due diligence materials concerning the Property and the Business, the manner in which bidders become Qualified Bidders (as defined below) and bids become Superior Offers, respectively, the receipt and negotiation of bids received, the ultimate selection of a Successful Bidder (as defined below) and the Court's approval thereof. The Companies, in consultation with the Proposal Trustee and the Sales Advisor, shall administer the SISP. In the event that there is disagreement as to the interpretation or application of the SISP, the Court will have jurisdiction to hear and resolve such dispute.
13. The Companies will use reasonable efforts to complete the SISP in accordance with the timelines as set out in **Schedule "B"** hereto. The Companies, in consultation with the Proposal Trustee and the Sales Advisor, shall be permitted to make such adjustments to the timeline that it determines are reasonably necessary.

"As Is, Where Is"

14. The sale of the Property and the Business will be on an "as is, where is" basis and without surviving representations, warranties, covenants or indemnities of any kind, nature, or

description by the Companies or any of their agents, except to the extent set forth in the relevant final agreement with a Successful Bidder.

Free of Any and All Claims and Interests

15. In the event of a sale(s), all of the rights, title and interests of the Companies in and to the Property and the Business to be acquired will be sold free and clear of all pledges, liens, security interests, encumbrances, claims, charges, options and interests thereon and there against (collectively the "**Claims and Interests**"), such Claims and Interests to attach to the net proceeds of the sale of such Property (without prejudice to any claims or causes of action regarding the priority, validity or enforceability thereof), pursuant to an approval and vesting order made by the Court, upon the application of the Companies, except to the extent otherwise set forth in the relevant sale agreement with a Successful Bidder. The vesting out of Claims and Interests by a Successful Bidder other than the Stalking Horse Bidder shall not be materially more favourable to the Successful Bidder than those set out in the Stalking Horse Term Sheet, except to the extent additional tangible monetary value of an equivalent amount is provided for the vesting out of such Claims and Interests. The Companies further acknowledge the existence of a right of first refusal contained in an operating agreement governing the equity interests held by Athabasca Minerals Inc. in AMI Silica LLC.

Publication of Notice and Teaser

16. As soon as reasonably practical after the granting of the SISP Approval Order by the Court,
- a. the Sales Advisor shall cause a notice of the SISP and such other relevant information which the Proposal Trustee, in consultation with the Companies, considers appropriate, to be published in the *BOE Report*, the *Calgary Herald*, and such other publications as the Proposal Trustee and the Sales Advisor may consider appropriate; and
 - b. the Companies shall issue a press release setting out the notice and such other relevant information regarding the Opportunity with Canada Newswire, designating dissemination in Canada and shall invite bids from interested parties.
17. A non-confidential teaser letter prepared by the Sales Advisor, in consultation with the Companies (the "**Teaser**"), describing the Opportunity and the SISP will be made available by the Sales Advisor and the Companies to prospective purchasers and will be posted on the Proposal Trustee's website as soon as practicable following the issuance of the SISP Approval Order.
18. The Companies, with the assistance of the Sales Advisor, will also populate an electronic data room (the "**VDR**") with detailed listings, photographs, technical specifications and other information required for prospective purchasers to perform due diligence on the Property and the Business.

Participation Requirements

19. In order to participate in the SISP, each person interested in bidding on the Property and the Business (a "**Potential Bidder**") must deliver to the Sales Advisor at the email address specified in **Schedule "A"** hereto (the "**Notice Schedule**"), and prior to the distribution of any confidential information by the Companies or Sales Advisor to a Potential Bidder (including access to the VDR), an executed non-disclosure agreement in form and substance satisfactory to the Companies, which shall inure to the benefit of any Successful Bidder that closes a transaction contemplated by the Successful Bid (as defined below).
20. A Potential Bidder that has executed a non-disclosure agreement, as described above and who the Companies, in consultation with the Sales Advisor, determines has a reasonable prospect of completing a transaction contemplated herein, will be deemed a "**Qualified Bidder**" and will be promptly notified of such classification by the Sales Advisor. For the avoidance of doubt, the Stalking Horse Bidder is a Qualified Bidder.

Due Diligence

21. The Sales Advisor shall provide any person deemed to be a Qualified Bidder with access to the VDR and the Companies shall provide to Qualified Bidders further access to such reasonably required due diligence materials and information relating to the Property and the Business as the Companies, in consultation with the Sales Advisor, deems appropriate, including virtual presentations by the Companies and access to further information in the VDR.
22. The Companies, the Sales Advisor and the Proposal Trustee and their respective advisors, make no representation or warranty as to the information contained in the VDR, or other information to be provided through the due diligence process or otherwise, except to the extent otherwise contemplated under any definitive sale agreement with a Successful Bidder executed and delivered by the Companies and approved by the Court.

Seeking Superior Offers from Qualified Bidders

23. A Qualified Bidder that desires to make a formal offer to purchase or make an investment in the Companies or their Property or Business shall submit a binding offer that complies with all of the following requirements to the Sales Advisor, with copies to the Companies, at the email addresses specified in **Schedule "A"** hereto so as to be received by it not later than 12:00 p.m. (MST) Calgary time on January 31, 2024, or such other date or time as may be agreed by the Companies with the consent of the Proposal Trustee (the "**Bid Deadline**"):
 - a. It is submitted on or before the Bid Deadline;
 - b. It does not contemplate payment of a break fee, expense reimbursement or other form of bid protection;
 - c. It contains an indication of whether the Qualified Bidder is offering to:

- i. Acquire all, substantially all or a portion of the Property through a Sale Proposal; or
 - ii. Make an investment in, restructure, reorganize or refinance the Business or the Companies through an Investment Proposal;
- d. It contains a duly authorized and executed transaction agreement, together with all exhibits and schedules thereto, based on either the template Asset Purchase and Sale Agreement or the template Subscription Agreement (together the “**Template Agreement(s)**”), to be prepared by the Companies and placed in the VDR, together with a blackline of the executed agreement to the applicable Template Agreement, and identifies or contains the following:
 - i. Purchase price and any other key economic terms expressed in Canadian dollars;
 - ii. A description of the Property that is expected to be subject to and/or excluded from the transaction;
 - iii. The underlying assumptions regarding any *pro forma* capital structure, if applicable; and
 - iv. Any other terms or conditions that the Qualified Bidder believes are material to the transaction;
- e. In the event a Qualified Bidder wishes to pursue a different transaction structure than what is contemplated by the Template Agreements, the Companies reserve the right to provide the Qualified Bidder with a further template agreement against which the Qualified Bidder may prepare and submit its bid;
- f. It contains confirmation that the bid is not conditioned on (i) the outcome of unperformed due diligence by the Qualified Bidder, or (ii) obtaining financing;
- g. It contains a specific indication of the financial capability of the Qualified Bidder and the expected structure and financing of the transaction, including written evidence of a firm, irrevocable commitment for financing or other evidence of ability to consummate the proposed transaction, that will allow the Companies and the Proposal Trustee to make a determination as to the Qualified Bidder’s financial and other capabilities to consummate the proposed transaction;
- h. The bid includes a letter stating that the Qualified Bidder’s offer is irrevocable until the selection of the Successful Bidder (as defined herein);
- i. The bid fully discloses the identity of each entity that will be entering into the transaction or the investment, or that is participating or benefiting from such bid;
- j. The bid includes a refundable deposit in the form of a wire transfer to a trust account specified by the Proposal Trustee (a “**Deposit**”) in the amount of not less than 10%

of the consideration offered, either by way of a Sale Proposal or an Investment Proposal, to be held and dealt with in accordance with this SISP;

- k. it contains evidence of authorization and approval from the Qualified Bidder's board of directors (or comparable governing body);
 - l. it contains an agreement that the Qualified Bidder submitting such bid, if not chosen as the Successful Bidder, shall serve, without modification to such bid, as a Backup Bidder (as defined below), in the event the Successful Bidder fails to close; and
 - m. The bid contemplates closing the transaction set out therein on or before the Outside Date.
24. The Companies, with the consent of the Proposal Trustee, may waive compliance with any one or more of the requirements specified herein.
25. The Sales Advisor, in consultation with the Companies, may, following the receipt of any bid by the Bid Deadline, seek clarification with respect to any of the terms or conditions of such bid and/or request and negotiate one or more amendments to such bid prior to determining if the bid should be considered a Superior Offer.
26. The Sales Advisor shall notify each Qualified Bidder in writing as to whether its bid constitutes a Superior Offer within five Business Days of the Bid Deadline, or at such later time as the Companies, in consultation with the Sales Advisor, deem appropriate.

Stalking Horse Term Sheet

27. Pursuant to the Stalking Horse Term Sheet, there is no requirement for the Stalking Horse Bidder to provide a deposit, provided however that the stalking horse shall be required to provide a binding offer by way of the definitive document contemplated by the Stalking Horse Bidder, by the Bid Deadline in accordance with paragraph 23 hereof.

No Superior Offers

28. If no Superior Offers are received the Companies shall promptly apply to the Court for an order approving the definitive documents of the Stalking Horse Bidder, and any other relief necessary to effect the transactions contemplated therein.

Auction

29. If the Companies determine, in consultation with the Sales Advisor, that one or more, or a combination thereof, of the offers received from Qualified Bidders constitute a Superior Offer, the Companies shall provide the parties making Superior Offers and the Stalking Horse Bidder an invitation to make further bids through the auction process set out below (the "**Auction**").
30. In order to participate in the Auction, the Stalking Horse Bidder and each Qualified Bidder that has received an invitation to the Auction, must inform the Companies and the Proposal

Trustee of its intention to participate in the Auction (each party who so informs the Companies and the Proposal Trustee is hereinafter referred to as an “**Auction Bidder**”) no later than 12:00 p.m. (MST) on February 7, 2024.

31. The Auction shall commence at **10:00 a.m. (MST) on February 9, 2024**. The Auction will be conducted virtually via Microsoft Teams and will be recorded or transcribed. The Auction will be accessed via video link to be provided to all Auction Bidders by the Companies and the Proposal Trustee no later than February 8, 2024. The Auction shall continue thereafter until completed, subject to such non-material adjournments that the Companies, in consultation with the Proposal Trustee, may consider appropriate.
32. The Companies reserve the right to cancel or postpone the Auction, in consultation with the Proposal Trustee.
33. Except as otherwise set forth herein, the Companies may establish additional rules for conducting the Auction, provided that such rules are:
 - a. disclosed to each Auction Bidder;
 - b. designed, in the Companies' business judgment, to result in the highest and otherwise best offer;
 - c. approved by the Proposal Trustee; and
 - d. not contrary to any material term set out herein.
34. Except as otherwise permitted in the Companies' discretion, only the Companies, the Proposal Trustee and the Auction Bidders, and in each case their respective professional advisors, shall be entitled to attend the Auction. All Auction Bidders must have at least one individual representative with authority to bind such Auction Bidder present at the Auction.
35. Each Auction Bidder participating in the Auction shall designate a single individual to be its spokesperson during the Auction and such spokesperson shall be identified to the Companies and the Proposal Trustee prior to the commencement of the Auction.
36. All bids made during the Auction will be made and received on an open basis. All Auction Bidders will be entitled to be present for all Auction Bids at the Auction with the understanding that the true identity of each Auction Bidder at the Auction will be fully disclosed to all other Auction Bidders at the Auction.
37. Bidding at the Auction will begin with the Starting Bid and continue, in one or more rounds of bidding (a “**Round**”), until the Proposal Trustee and the Companies have determined an Auction Bidder to be the Successful Bidder (as defined below).
38. The Proposal Trustee shall set the bid amount in each Round and each Auction Bidder shall advise the Proposal Trustee whether it is participating in that Round by bidding at the amount set by the Proposal Trustee. Auction Bidders who indicate their participation in a given Round shall proceed to the next Round.

39. In each Round, the Auction Bid price will increase by a minimum incremental amount of \$100,000 (the “**Minimum Bid Increment**”), or such further amount as may be determined by the Companies and the Proposal Trustee.
40. To the extent not previously provided in form satisfactory to the Companies and the Proposal Trustee, an Auction Bidder submitting an Auction Bid may be required by the Proposal Trustee, in its sole discretion, to provide written evidence (in the form of financial disclosure or credit quality support information reasonably acceptable to the Proposal Trustee), demonstrating such Auction Bidder’s financial ability to pay the current Auction Bid.
41. The Companies reserve the right, in consultation with the Proposal Trustee, to make one or more adjournments in the Auction of not more than 24 hours each, to among other things (i) facilitate discussions between the Companies and the Auction Bidders; (ii) allow the individual Auction Bidders to consider how they wish to proceed; (iii) consider and determine the current highest and best offer(s) at any given time in the Auction; and (iv) give Auction Bidders the opportunity to provide the Companies with such additional evidence as the Companies, in their reasonable business judgment, may require in accordance with paragraph 41 hereof.
42. If, in any Round, no new Subsequent Bid is made, the Companies and the Proposal Trustee may reduce the prevailing Auction Bid price in that Round to an amount that is less than the Minimum Bid Increment.
43. The Auction will end when only one Auction Bidder that has bid the Auction Bid price for that Round is remaining and such remaining Auction Bidder is declared the successful bidder (the “**Successful Bidder**”) and its bid being the successful bid (the “**Successful Bid**”).
44. The Auction shall be closed within 5 Business Days of the start of the Auction unless extended by the Companies, in consultation with the Proposal Trustee.
45. No bids (from Qualified Bidders or otherwise) shall be considered after the conclusion of the Auction.
46. After the Auction has concluded, the Companies shall enter into the definitive agreement with the Successful Bidder.
47. Notwithstanding anything in this SISP to the contrary, if an Auction is conducted, the Qualified Bidder with the next highest or otherwise best Superior Offer at the Auction, as determined by the Companies in consultation with the Proposal Trustee, will be designated as the backup bidder (the “**Backup Bidder**”); provided that the Stalking Horse Bidder shall not be a Backup Bidder, unless it elects to provide a Minimum Bid Increment in the Auction. The Backup Bidder shall be required to keep its initial Superior Offer, or if the Backup Bidder submitted one or more Minimum Bid Increments at the Auction, the Backup Bidder’s final Auction Bid (the “**Backup Bid**”), open until the earlier of: i) two Business Days after the date of closing of the Successful Bid(s), and ii) the Outside Date, following which time the Backup Bid shall be deemed rejected.

Approval Motion

48. The Companies shall apply to the Court (the "**Approval Motion**") for the Approval Order. The Approval Motion will be held on a date to be scheduled by the Court upon application by the Companies. The Approval Motion may be adjourned or rescheduled by the Companies without further notice by an announcement of the adjourned date at the Approval Motion or in a notice to the Service List prior to the Approval Motion.
49. Other than a Successful Bid and the Backup Bid, as the case may be, all other bids received shall be deemed rejected on and as of the date and granting of the Approval Order by the Court, but not before, and shall remain open for acceptance until that time.

Deposits

50. All Deposits shall be retained by the Proposal Trustee and deposited in a non-interest bearing trust account. If there is a Successful Bid, the Deposit paid by the Successful Bidder whose bid is approved at the Approval Motion, shall be applied to the purchase price to be paid by the Successful Bidder upon closing of the approved transaction and will be non-refundable. The Deposits of Qualified Bidders not selected as a Successful Bidder shall be returned to such bidders within five (5) Business Days of the date upon which the Approval Order is granted by the Court.

Approvals

51. For greater certainty, the approvals required pursuant to the terms hereof are in addition to, and not in substitution for, any other approvals required by applicable law in order to implement a Successful Bid.

Confidentiality

52. Other than as shall be required in connection with any Auction or Approval Motion, neither the Companies nor the Sales Advisor or the Proposal Trustee will share: i) the identity of any Potential Bidder or Qualified Bidder (other than the Stalking Horse Bidder), or ii) the terms of any bid, Sale Proposal, or Investment Proposal (other than the Stalking Horse Term Sheet), with any other bidder (including, without limitation, the Stalking Horse Bidder) without the express written consent of such party (including by way of e-mail).

Further Orders

53. At any time during the SISP, the Companies, the Sales Advisor or the Proposal Trustee may apply to the Court for advice and directions with respect to any aspect of this SISP or the discharge of their respective powers and duties hereunder.

Amendments

54. The Companies, in consultation with the Proposal Trustee and the Sales Advisor, shall have the right to modify this SISP and the deadlines set out herein if, in its reasonable business judgment, such modification will enhance the process or better achieve the objectives of the SISP.

SCHEDULE "A"

NOTICE

TO THE COMPANIES:

Athabasca Minerals Inc.
Canada Place, Suite 1730
407-2nd Street SW
Calgary, AB T2P 2Y3
Attention: David Churchill / Dana Archibald
Phone: (403) 862-5231 / (780) 668-3366
Email: david.churchill@athabascaminerals.com /
dana.archibald@athabascaminerals.com

TO THE SALES ADVISOR:

Canaccord Genuity Inc.
Centennial Place, East Tower
520 – 3rd Avenue SW, Suite 2400
Calgary, AB T2P0R3
Attention: Andrew Birkby
Phone: (403) 508-3831

Email: abirkby@cgf.com

TO THE PROPOSAL TRUSTEE:

KSV Restructuring Inc.
1165, 324-8 Avenue SW
Calgary, AB T2P 2Z2
Attention: Andrew Basi
Phone: (403) 819-0111
Email: abasi@ksvadvisory.com

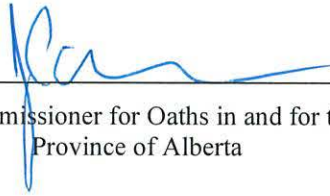
SCHEDULE "B"

TIME LINE

Event	Date
Publication of Opportunity and SISP by the Proposal Trustee and the Companies	As soon as practical following the granting of the SISP Approval Order
Proposal Trustee and Companies to Distribute Teaser to Potential Bidders	As soon as practical following the granting of the SISP Approval Order
Proposal Trustee and Companies to prepare VDR for Potential Bidders	As soon as practical following the granting of the SISP Approval Order
BID DEADLINE	JANUARY 31, 2024
Notification sent to Qualified Bidders if they submitted a Qualified Bid	3 Business Days Following the Bid Deadline
Approval Motion of Stalking Horse Term Sheet if no Superior Offers received	As soon as practical following the Bid Deadline
Invitation to Stalking Horse Bidder and Superior Bidders of Intention to Hold Auction (If Required)	As soon as practical following the Bid Deadline
Superior Bidders to Notify of Intention to Participate in Auction (If Required)	February 7, 2024
AUCTION (If Required)	FEBRUARY 9, 2023
Approval Motion of Successful Bid	As soon as practical following the Auction

SCHEDULE "C"
STALKING HORSE TERM SHEET

This is Exhibit "R"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.



A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

COURT FILE NUMBER 2301 10649
COURT Court of King's Bench of Alberta
JUDICIAL CENTRE Calgary
MATTER **IN THE MATTER OF SECTION 132 OF
THE *BUSINESS CORPORATIONS ACT*,
R.S.A. 2000, c. B-9**
APPLICANT **ATHABASCA MINERALS INC.**

Clerk's Stamp

DOCUMENT **ORDER EXTENDING TIME FOR
HOLDING THE ANNUAL GENERAL
MEETING OF SHAREHOLDERS**

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: Anthony Mersich
amersich@fasken.com
Telephone: 587.233.4124
File No.: 318938.00021

DATE ON WHICH ORDER WAS PRONOUNCED: August 24, 2023

LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta

NAME OF JUDGE WHO MADE THIS ORDER: Applications Judge *J-T Prowse*

UPON the *Ex Parte* application of Athabasca Minerals Inc. (“AMI”); **AND UPON READING** the Affidavit of David Churchill sworn on August 14, 2023; **AND UPON HEARING** from counsel for AMI, **IT IS HEREBY ORDERED THAT:**


1. Pursuant to section 132 of the *Business Corporations Act*, RSA 2000, c B-9 (the “Act”), the time for AMI to hold its next annual general meeting (the “Meeting”) of its shareholders shall be extended until December 31, 2023, and the Meeting shall be held on or before that date.

2. A copy of this Order shall be served on the shareholders of AMI by attaching a copy of this Order to the notice of the Meeting.
3. Service of this Order in accordance with paragraph 2 above shall be deemed good and sufficient on the shareholders of AMI.



Applications Judge of the Court of King's Bench
of Alberta

This is Exhibit "S"
Referred to in the Affidavit of
JOHN DAVID CHURCHILL
Sworn before me this 6th day of
December, 2023.

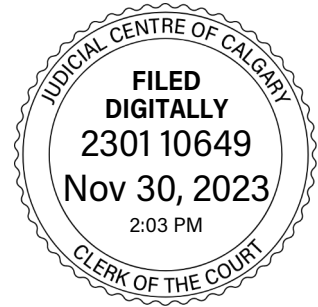


A Commissioner for Oaths in and for the
Province of Alberta

Jessica L. Cameron
Barrister & Solicitor
3400, 350 – 7th Avenue SW
Calgary, Alberta T2P3N9
Ph: 1-403-261-9468

CERTIFIED *E. Wheaton*
by the Court Clerk as a true copy of the
document digitally filed on Nov 30,
2023

COURT FILE NUMBER 2301-10649
COURT COURT OF KING'S BENCH OF ALBERTA
JUDICIAL CENTRE CALGARY
MATTER IN THE MATTER OF SECTION 132 OF
THE *BUSINESS CORPORATIONS ACT*,
R.S.A. 2000, c. B-9
APPLICANT ATHABASCA MINERALS INC.
RESPONDENT NOT APPLICABLE
DOCUMENT **ORDER EXTENDING TIME FOR
HOLDING THE ANNUAL GENERAL
MEETING OF SHAREHOLDERS**
ADDRESS FOR **Fasken Martineau DuMoulin LLP**
SERVICE AND Barristers & Solicitors
CONTACT 3400 First Canadian Centre
INFORMATION OF 350 – 7th Avenue S.W.
PARTY FILING THIS Calgary, AB T2P 3N9
DOCUMENT



DATE ON WHICH ORDER WAS PRONOUNCED: November 29, 2023
LOCATION WHERE ORDER WAS PRONOUNCED: Calgary, Alberta
NAME OF APPLICATIONS JUDGE WHO MADE THIS ORDER: Mattis

UPON the Without Notice Application of Athabasca Minerals Inc. (“AMI”); **AND UPON READING** the Affidavit of David Churchill sworn on November 24, 2023; **AND UPON HEARING** from counsel for AMI, **IT IS HEREBY ORDERED THAT:**

1. Pursuant to section 132 of the *Business Corporations Act*, RSA 2000, c B-9 (the “Act”), the time for AMI to hold its next annual general meeting (the “**Meeting**”) of its shareholders shall be extended until January 31, 2024.

2. A copy of this Order shall be served on the shareholders of AMI by attaching a copy of this Order to the notice of the Meeting.
3. Service of this Order in accordance with paragraph 2 above shall be deemed good and sufficient on the shareholders of AMI.

A handwritten signature in blue ink, appearing to be 'A.J.C.K.B.A.', written over a horizontal line.

A.J.C.K.B.A