

Sales & Investment Solicitation Process (SISP)

On November 13, 2023, Athabasca Minerals Inc., together with its subsidiaries (collectively, “Athabasca” or the “Companies”) commenced a restructuring process by filing Notices of Intention to Make Proposals to their creditors (the “NOI”) under the Bankruptcy and Insolvency Act (Canada). KSV Restructuring Inc. is acting as proposal trustee (the “Proposal Trustee”).

On December 12, 2023, the Alberta Court of King’s Bench (the “Court”) granted an order (the “SISP Order”) approving a sales and investment solicitation process (the “SISP”) respecting the Companies. The SISP is intended to solicit interest in, and opportunities for, a sale of, or investment in or refinancing of, all or part of Athabasca’s assets and business operations. Pursuant to the terms of the SISP Order, the Companies have engaged Canaccord Genuity Corp. (“Sales Advisor”) to act as the exclusive Sales Advisor in the SISP. Copies of documents filed in the Companies’ restructuring proceedings and the SISP may be obtained from the Proposal Trustee’s website at: <https://www.ksvadvisory.com/experience/case/athabasca-minerals>.

The SISP includes a stalking horse bid to acquire the Companies’ business for \$13,000,000 from JMAC Energy Services LLC (“JMAC”), which bid includes an expense reimbursement in the amount of \$200,000 payable to JMAC in the event the stalking horse bid is not the successful bid. In order to be considered a Superior Offer, an offer must provide aggregate consideration of at least \$13,200,000 to trigger the run-off auction (further detailed below).

Any party who expresses a desire to participate in the SISP (a “Potential Bidder”) is required to execute a non-disclosure agreement (an “NDA”) with the Company.

Upon satisfactory receipt of the items above, Potential Bidders will be provided access to a virtual data room. **A Potential Bidder who wishes to pursue the opportunity further must deliver a binding offer to the Sales Advisor on or before 12:00 p.m. (Calgary time) on January 31, 2024.** In the event Superior Offers to the stalking horse bid are received, a run-off auction will be held virtually on or about February 9, 2024, through open rounds of bidding until the highest and best price is achieved.

Specific details on the criteria for the evaluation of bids can be found in the SISP, appended to the SISP Order, and located on the Proposal Trustee’s website above. Interested parties are strongly encouraged to (i) review the terms and conditions of the SISP, including the requirements to participate and the criteria that must be satisfied to be a “Superior Offer”; and (ii) use the template form of transaction agreements when submitting an offer, which will be provided to parties in the virtual data room.

The Companies, in consultation with the Proposal Trustee and the Sale Advisor, have the right to modify the SISP and the timelines set out in the SISP. AMI, Canaccord Genuity, and the Proposal Trustee are not obligated to accept any offer in the SISP, including the highest offer. In the event no Superior Offers are received, the Companies will seek Court approval of the stalking horse bid. Any transaction resulting from the SISP will be subject to Court approval. 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.

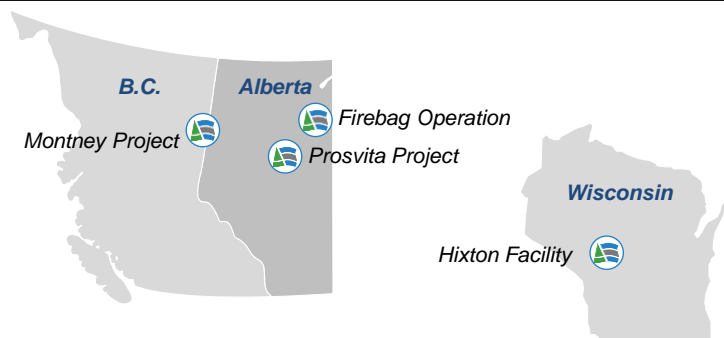
Key SISP Milestones

- Deadline to Submit Formal Binding Offers: January 31, 2024
- Invitation to Participate in Run-off Auction: As soon as practical following the Bid Deadline
- Superior Bidders Required to Notify Sales Advisor of Intention to Participate in Run Off Auction: February 7, 2024
- Run Off Auction (If Required): February 9, 2024
- Approval Motion of Successful Bidder: As soon as possible following the Run Off Auction

Company Overview

- Athabasca Minerals Inc. (“AMI”) is a corporation amalgamated under the laws of the Province of Alberta and, together with its subsidiaries, is in the business of exploring and developing aggregates and industrial minerals in the Provinces of Alberta, British Columbia and the state of Wisconsin
- Registered office of AMI is located in Edmonton, Alberta, with its corporate office located in Calgary, Alberta

Geographic Footprint



Quick Facts

Founded	2006
Publicly Traded	TSXV:AMI
LTM 2023 Revenue⁽¹⁾	\$47.8 Million
Annual Sand Production Capability	2 Million Tons

Business Units

- AMI is the parent, either directly or indirectly, to the following subsidiaries:

AMI Silica Inc. ("Silica")

- Has resource holdings in Alberta with the Firebag silica sand operation

AMI RockChain ("RockChain")

- A midstream, technology-enabled business using its proprietary digital platform, automated supply-chain and logistics solutions to deliver products across Canada
- Through the Companies' pre-filing restructuring process RockChain has been wound down and is not currently operational however AMI still holds the proprietary database and automated platform;

TerraShift Engineering Ltd. ("TerraShift")

- Conducts resource exploration, regulatory, mining, environmental and reclamation engineering for customers
- AMI phased out the operations of TerraShift in 2022 however they still maintain the proprietary TerraMaps™ technology;

2132561 Alberta Ltd. ("213")

- Holds the Companies' interests in the Montney Project which is an exploration project in Northeastern British Columbia. This project is in the advanced stages of exploration;

2140561 Alberta Ltd. ("214")

- Holds the Companies' interests in the Prosvita Sand Project which is located in North Central Alberta
- 214 is currently undergoing regulatory approvals and permitting processes with the Alberta Ministry of Environment and Protected Areas in relation to this project

AMI Silica LLC ("Silica LLC")

- AMI holds a 50% interest in Silica LLC which 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

Operating Segments

Athabasca Minerals Inc.

Key assets include: Hixton Facility⁽¹⁾, the Prosvita Project, and the Montney Project.

Through its' joint venture – AMI Silica LLC - develops and delivers high-quality frac sand through a strategic transload network for a growing customer base

AMI Silica

Key assets include: Firebag silica sand operation

AMI RockChain

Digital solution platform for buying, selling, and develops and delivers high quality sand, and other surface materials

Investment Highlights



Assets located in stable jurisdictions such as Alberta, British Columbia, and Wisconsin



First class resource-based projects with **increasing demand** for materials



Proven executive team demonstrating the successful operation and **expansion** of recently acquired Hixton silica sand facility



Tier one silica sand in high demand for use in **oil and gas drilling activities**

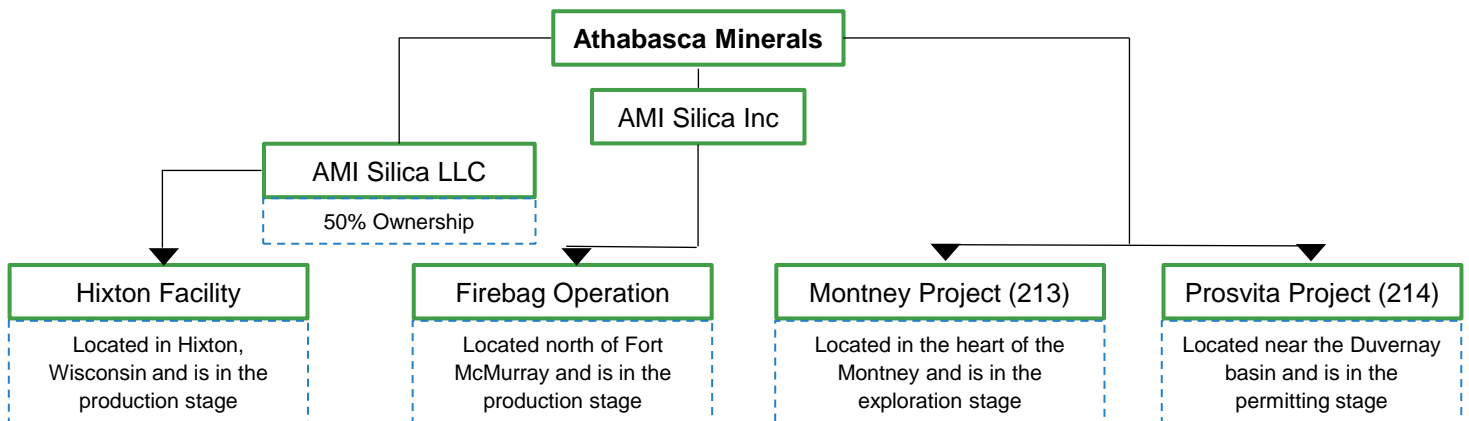


Global oil and gas demand increasing, which requires additional drilling activity



Infrastructure spending to increase, requiring sand for major LNG & Energy projects

Corporate Organizational Structure



AMI Silica LLC – Hixton Mine Facility

AMI Silica LLC - Hixton, Wisconsin

- AMI Silica LLC (“Silica LLC”) is jointly controlled with AMI owning 50% with the remaining 50% held by JMAC Energy Services
 - The AMI and JMAC relationship is governed by an Operating Agreement which includes a right of first refusal on the sale of the membership interest in Silica LLC
- In Q1 2022, Silica LLC acquired an operational US sand mine and related facilities in Hixton, Wisconsin (“Hixton Facility”)
 - Hixton Facility includes a functional and staffed mine, fixed storage, rail transload, mobile equipment, and active supply chain contracts
- Management’s experience in the region allowed for a quick integration
- The mine produces high quality Northern White silica which sells at a premium to other domestic sands
 - While various mesh sizes are available to serve a range of markets, the Hixton Facility primarily produces 40/70 mesh, which is one of the most desired sizes for oil and gas projects
- Hixton Facility’s fully-integrated operation and access to rail allows Silica LLC the ability to meet just-in-time demand from clients and charge a convenience premium for this service
- Silica LLC has developed a strategic transload network

Key Statistics

Acquired	March 2022
Founded	2015
Invested Capital	~US\$100 MM ⁽¹⁾
AMI Silica 2023E Revenue	\$48.6 MM ⁽²⁾
AMI Silica Annual Capacity	2 MM tons
Estimated Mine Life	15 years
Property Size	1,100 acres

Asset Location



Facility Overview



Hixton Facility is home to a closed loop dry plant which is able to dry 500 tons / hour to meet just-in-time demand



All Values in CAD unless otherwise noted

1. Former operator of the mine invested US\$100 million into development
2. Revenue estimates based on AMI management guidance and represent AMI’s 50% ownership

Athabasca Mineral's Canadian Frac Sand Operations

AMI Silica Inc.

Firebag Operation

- The Firebag Operation ("Firebag") is located north of Fort McMurray, Alberta
 - The operation is in close proximity to major oil sands mining operations
- The deposit holds an abundance of exceptionally high quality and clean silica across 80 acres of land

Athabasca Minerals Inc.

Montney Project




- The Montney Project ("Montney Project") is strategically located in the heart of the Montney basin
 - Increased activity in the Montney will drive a significant amount of frac sand demand in Canada
 - Strategically positioned in the vicinity of Dawson Creek, Alberta and Fort St John, British Columbia, with primary and secondary highway access
- Montney Project offers an in-basin frac sand solution that is in high demand for oil and gas projects
- AMI holds mineral leases on 60,000 hectares of prospective resource development

Athabasca Minerals Inc.

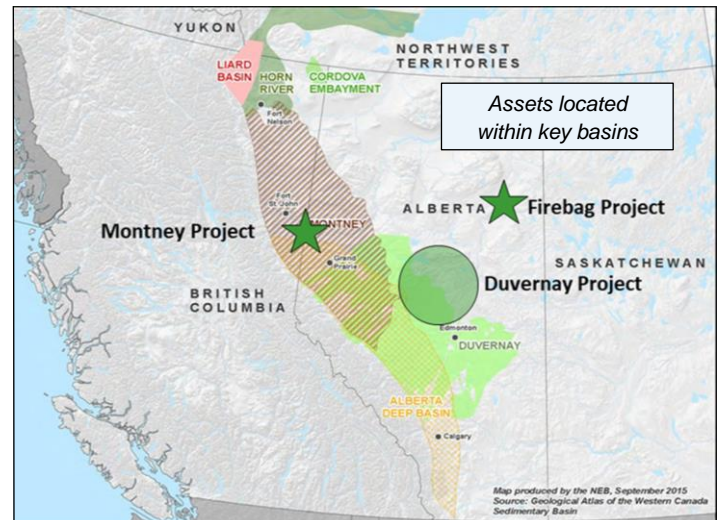
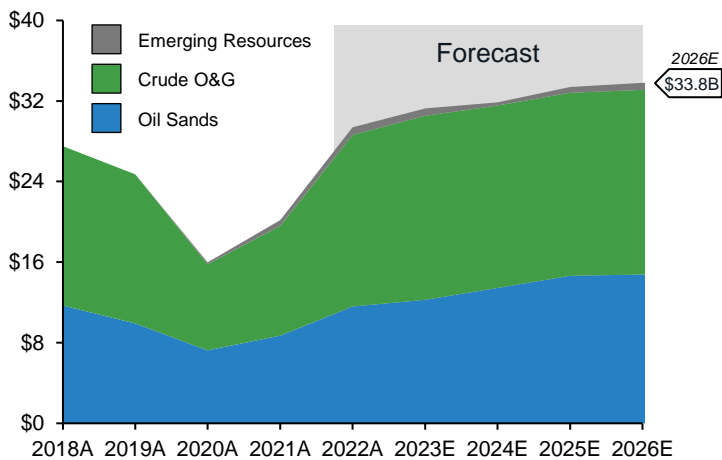
Prosvita Project

- The Prosvita Operation ("Prosvita") is located in northeastern Alberta near the Duvernay basin
- Prosvita has 12 million tonnes of in-basin premium domestic sand⁽¹⁾
- Located in close proximity to customers which helps reduce carbon emissions from transportation
 - Transportation costs are expected to be lower compared to a US-sourced product, given Prosvita's road and rail access
- Prosvita has an agreement with Alberta-Pacific Forest Industries Inc. (Al-Pac) for the construction, operation, and supply of treated industrial wastewater for the Prosvita project
- AMI has filed a regulatory application with Alberta Environment & Parks for an 800,000 tonne/year wash-dry facility with Front End Engineering and Development ("FEED")

Canadian Frac Sand Assets will Benefit from Renewed Interest and Activity Across the WCSB

-  Assets are located in tier one jurisdictions and in close proximity to premier Canadian resource plays
-  Approval and development of key infrastructure has led to an increase in activity near AMI's assets
-  Strong macro tailwinds driven by an increase in demand, high commodity prices, and an increase in capex programs

Alberta Oil & Gas Capex (\$Bln)⁽²⁾



Canadian Transload Network

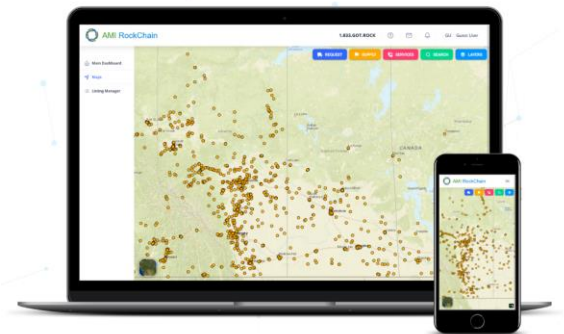
- Silica LLC's originating transload in Taylor, WI has capacity for 580 rail cars. This transload provides capacity on Canadian National ("CN") for approximately 130,000 tons/month with an ability to load a full unit train (100 cars) in under 48 hours
- The Canadian Transload Network provides crucial railway connectivity from AMI's frac sand assets to oil and gas producers
- Silica LLC entered into an agreement for sand transloading and storage services at Taylor, British Columbia location in Q4 2022
- On April 5, 2023, Silica LLC expanded their network by signing a multi-year transload agreement for the delivery of its silica sand into the Grande Prairie, Alberta region
- By being a part of the Canadian Transload Network, Silica LLC has a geographic advantage to supply major oil and gas producers and service providers that operate in these key regions
- As drilling activity in these regions increases, Silica LLC is well positioned to capitalize on the growing demand for frac sand



Other Operating Segments

AMI RockChain

- AMI RockChain ("RockChain™") is North America's largest platform for buying, selling, and transporting gravel, sand, and other surface materials
 - 8,000+ Material Suppliers
 - 2,000+ Trucking Providers
 - 150+ Testing Facilities
- RockChain's™ data intelligence provides more options and greater access to the aggregates market
- Clients have access to thousands of suppliers and trucking combinations, in order to source the optimal solution
- By validating quality to ensure specifications are met, RockChain™ has multiple repeat customers who rely on the RockChain™ platform to ensure projects remain in budget



AMI RockChain is a midstream, technology-enabled business that uses its proprietary RockChain™ digital platform to deliver products across Canada

Financial Overview

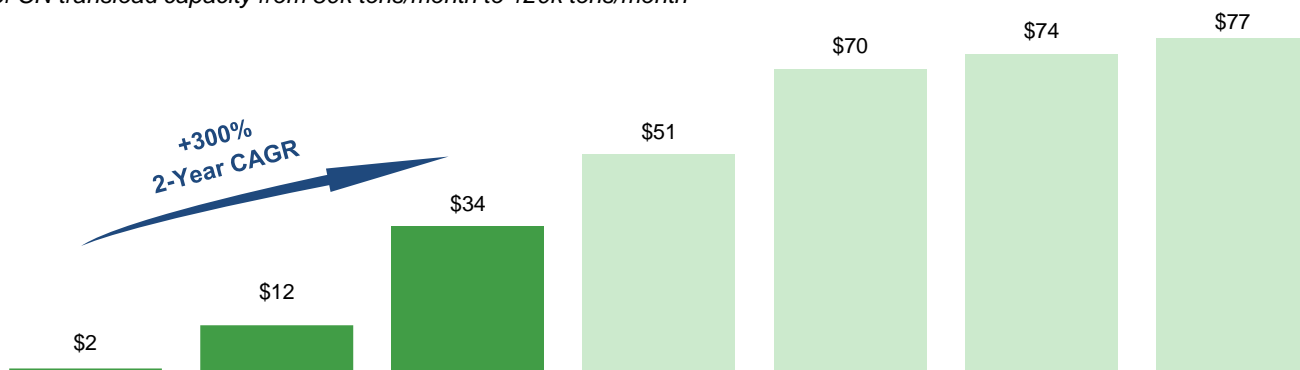
SILICA LLC REVENUE SHOWN BELOW IS REFLECTED AS SHARE OF PROFIT IN JOINT VENTURE IN THE ATHABASCA MINERALS AMENDED & RESTATED FINANCIAL STATEMENTS

The Hixton Facility will be a key driver of revenue growth going forward given the significant demand across Canada and the US for high-quality Northern White silica; Silica LLC accounted for over 60% of AMI's 2022 revenue

Historical and Forecasted Revenue⁽¹⁾ (\$MM)

Revenue Growth Drivers:

- 1) Selling through transload agreements instead of at the mine gate allows AMI to charge a convenience premium
- 2) Capitalizing on the drilling activity in the Montney and Duvernay basins through AMI's US frac sand business
- 3) Strong frac sand prices as unconventional drilling activity increases
- 4) Expansion of CN transload capacity from 80k tons/month to 120k tons/month



	2020A	2021A	2022A	2023E	2024E	2025E	2026E
AMI Aggregate	23%	10%	8%	4%	Divested		
AMI RockChain	77%	52%	29%	1%	-	-	-
AMI Silica LLC	-	38%	63%	95%	100%	100%	100%

Capturing Frac Sand Margins

Facility Upgrades and Expansion

Increase production at Hixton Facility to capitalize on growing unconventional oil and gas plays, while also positioning itself as a key player in the Montney

Offtake Capacity

By adding new transload locations, AMI can increase the price of its sand because of the convenience premium of having sand delivered to the project via rail vs picked up at the mine gate

Volume Commitments

Not only secure additional frac sand contracts, but also capture greater margin and more advantageous terms such as, contract length and quantities

Frac Sand Market



Global frac sand market is expected to grow from US\$6.4 bln in 2020 to US\$14.2 bln in 2027⁽²⁾



65% of frac sand growth is expected to originate from North America during 2022 – 2026⁽³⁾



New technologies have introduced an abundance of unconventional oil and gas resources



Highly fragmented market that presents an opportunity for consolidation, cost cutting, and synergies

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Disclaimer

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