Prosvita Sand Project

FAQ's & FOLLOW UP

October, 2021

Introduction

The Prosvita Sand Project

The Prosvita Sand Project is a proposed Class 1 pit designed for the extraction, processing and sale of premium sand, supporting the energy, construction and other potential markets throughout Canada and internationally.

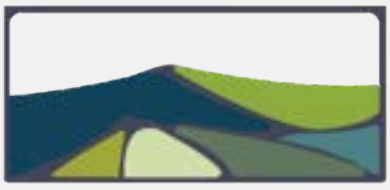
This project will be strategically located in North Central Alberta, with road and rail access to markets. After feedback from local stakeholders as well as assessment of economical and operational optimization, AMI Silica (AMI) has submitted an application to Alberta Environment and Parks for a plant location 50 kilometres northeast of the Town of Athabasca.

The Prosvita Sand Project will be capable of producing 800,000 tonnes of saleable sand product per year. The operations will incorporate carefully considered design and operating features that include low-impact surface excavation, enhanced water recovery and recycling, advanced dust suppression and control, environmental monitoring (including air, noise and water quality), truck transload facilities, and rail transport.

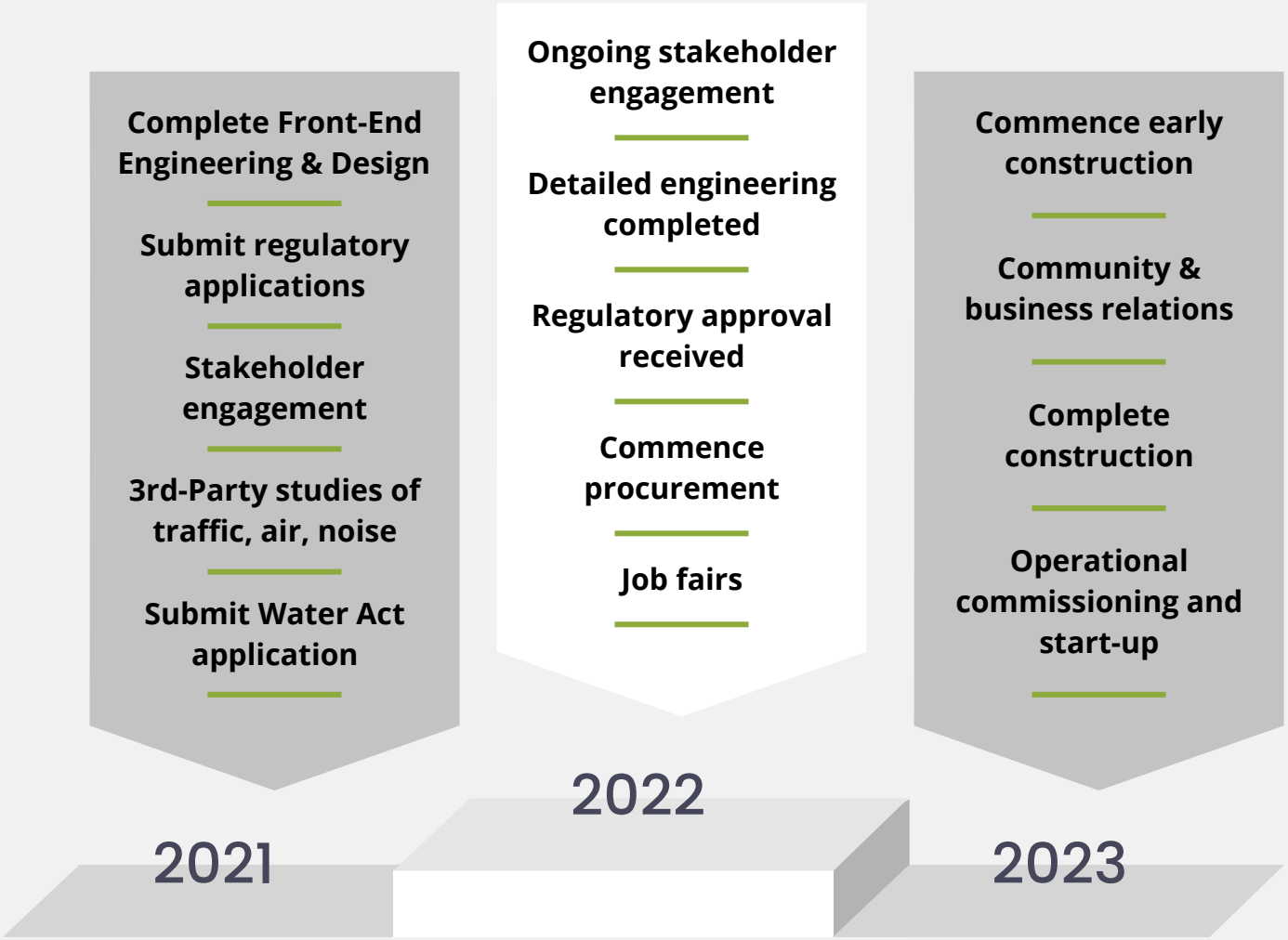
We have compiled some facts and follow up information in this document in response to the questions that we have received. As we progress with the project there will be additional operational and regulatory information that we will share with the community.

Our goal is to maintain transparent communication and share relevant information with local stakeholders, residents, and government.

AMI views the Prosvita Sand Project as a long-term, positive socio-economic commitment to the County of Athabasca and its residents. We look forward to being an active, responsible, and supportive member of the community.



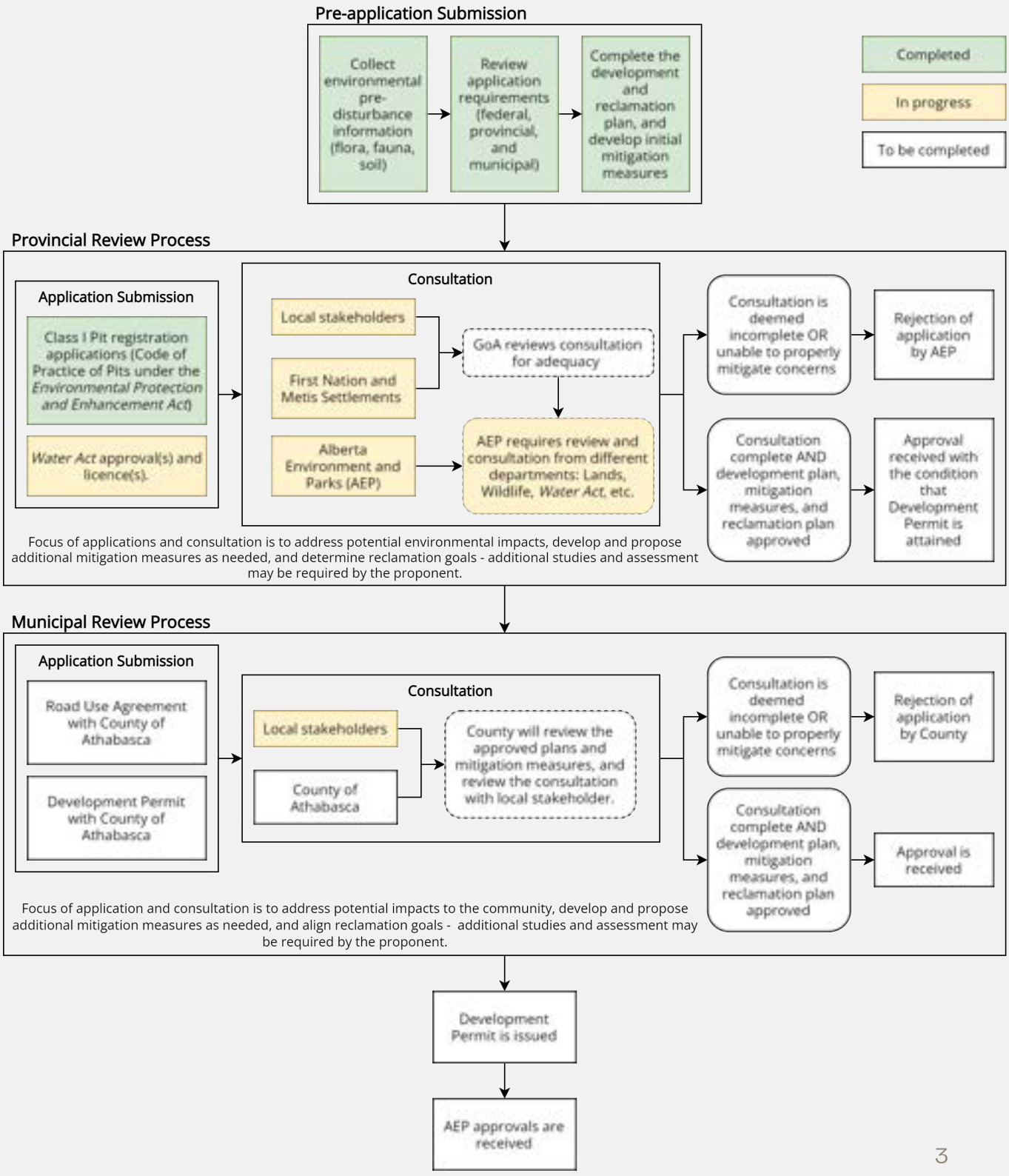
Timelines



*above timelines are subject to change based on potential delays from 3rd-party participants outside of AMI's control

Regulatory Process

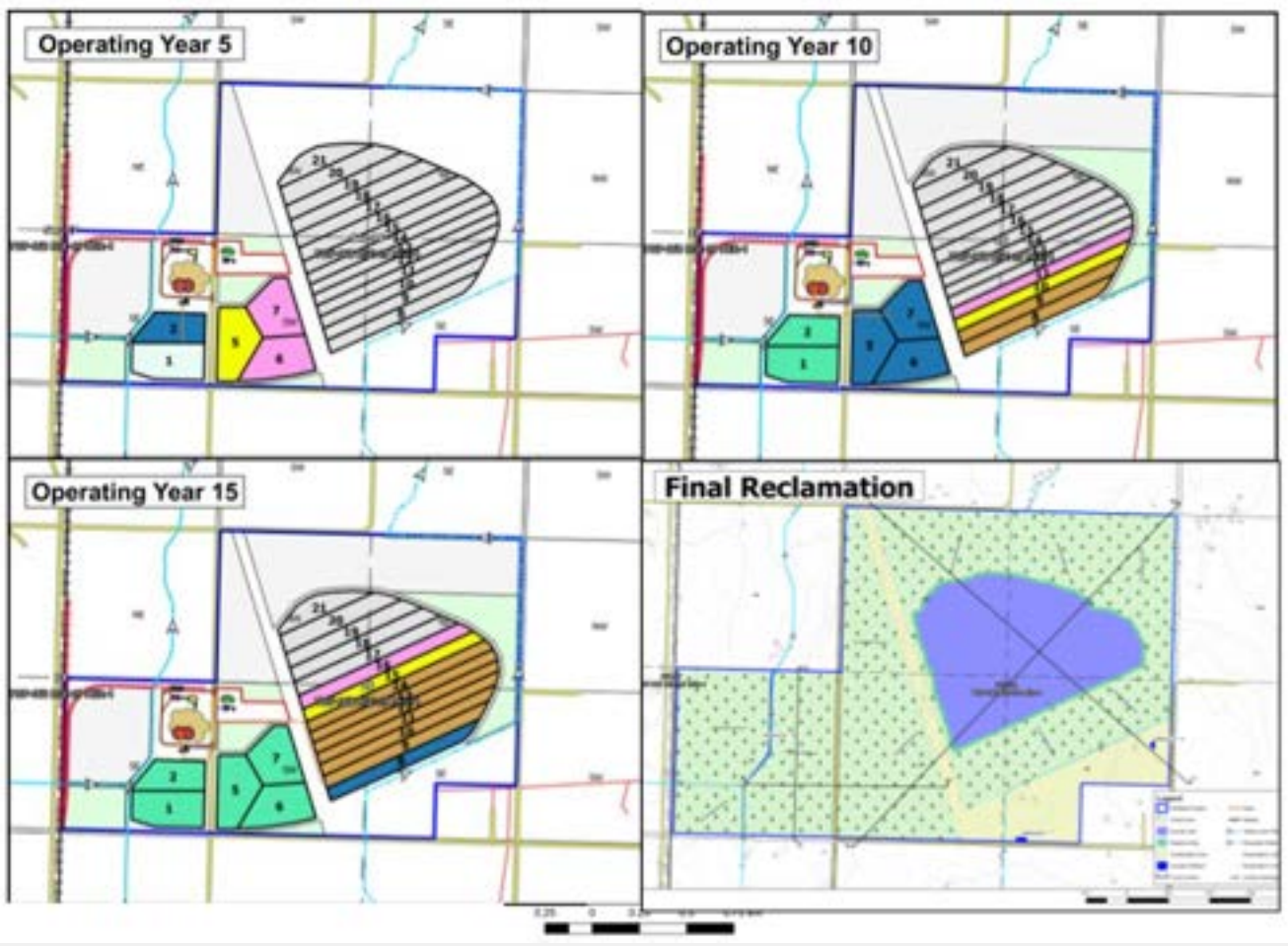
Below is a simplified summary of the regulatory process that highlights the main stages



Operations

Q1. *Do you have an Activities Plan for the site covering construction plans, operation and reclamation?*

A1. Yes, an Activities Plan addressing both operations at the plant and pit has been developed and submitted for the construction, operation, and reclamation of the project. The Activities Plan was developed with the closure of the site in mind, and using the best practices outlined by Alberta Environment & Parks (AEP) and industry. Reclamation will be progressive and the end-of-life plan is to return the land to forested wildlife habitat with an end-pit lake that aligns with the surrounding area. The Activities Plan meets *Environmental Protection and Enhancement Act*, Code of Practice for Pits, and *Water Act* requirements.



Operations

Q2. *Are chemicals used in addition with water to remove clay and other impurities?*

A2. No chemicals will be used in the sand washing process. Flocculant will be used to remove suspended solids (silts and clays) from the recycled water, in a similar way that municipal water treatment facilities remove suspended solids from our drinking water. Suspended solids will be directed to settling ponds as part of progressive reclamation.

Q3. *Will you use chemicals such as flocculants to cover sand stockpiles?*

A3. No chemicals or flocculants will be used to manage potential dust on the stockpiles. Small particles such as silts and clays have been removed prior to stockpiling, minimizing the potential for dust. All sand stockpiles on the site will be kept moist to minimize/eliminate dust. In the event that the surface dries out water will be used to suppress movement of the exposed sand.

Q4. *What will you use to cover the stockpiles of overburden?*

A4. Topsoil, subsoil and overburden (clay) will be stockpiled and segregated for use in reclamation. The soil stockpiles will be revegetated to aid in the prevention of water and wind erosion. Clay stockpiles will be monitored and watered as required to minimize risk of erosion. The Prosvita Sand Project will replace overburden and soil once an area is depleted (progressively reclaimed) to minimize the amount of stockpiles on site and limit stockpile exposure.

Q5. *Do you have an Emergency Response Plan?*

A5. Yes. AMI has an Emergency Response Plan (ERP) in place that has been based on best practices from other sand operations. The ERP addresses the major risks associated with sand processing operations.

Q6. *Will the Prosvita mine operation be an intensive, high-impact mine?*

A6. No. The sand resource for the Prosvita Sand Project is unconsolidated. This means that no blasting or crushing will be required. Sand will be extracted using conventional construction equipment (track hoes and loaders). Sand from the extraction site will be conveyed/hydro-transported to the wash plant for further processing.

Air Quality

Q7. *Do you have a plan for dust control?*

A7. Yes. Dust control is a critical focus area for our plant design and operations. Dust from sand may be released when the sand is dry. Our sand extraction, washing and wet sorting operations keeps the sand moist until it reaches the drying process. The drying process is carried out within an enclosed building where vacuum systems capture fugitive dust and contain it within a baghouse for return to the reclamation process. The dried sand product is stored inside closed silos. Dust control systems extract fugitive dust during the loading of trucks from the transload storage silos. Trucks and trailers will be covered during transport of sand to their final destination.

Q8. *What parameters will you be monitoring for air quality?*

A8. Alberta Environment and Parks (AEP) has an Air Quality Model Guideline that will be followed in our ongoing assessment of the air quality during operations. Under this guideline we will initially assess air quality based on particulate source, emission characteristics, topography, and meteorological conditions. Air monitoring devices will be deployed as per the recommendation of the air quality modelling and AEP requirements. AEP is currently working on a program to ensure all ambient air monitoring is made public. Site emissions data is also available publicly through the Federal DPRI Database.

NOTE - AMI is currently initiating air quality modelling with an independent 3rd-Party specialist and will update stakeholders and residents once the information is available.

Benefits to the County of Athabasca

- Job creation
- Investment in local economy
- Creates an economic driver for the County and surrounding regions

Socio-economic Study

AMI will be initiating a socio-economic study as part of our due-diligence process to evaluate the positive impact that the Prosvita Project will have on the communities that it will operate in and around.

Water

Q9. *What steps are being taken to ensure that local water sources are not negatively impacted?*

A9. The Prosvita Sand Project will be designed to recycle 90% of all the water used throughout its processes. The remaining 10% will evaporate to the environment from the dryer and exposed stockpiles, and through adherence to silts and clays that are stored in the reclamation ponds. The ponds will be clay lined to prevent water from being released to the environment. As part of our *Water Act* application, a preliminary groundwater study was completed and several groundwater monitoring locations installed. We will conduct ongoing monitoring and mitigation activities throughout the project's life and during the reclamation phases. AMI will conduct detailed water assessments so neighbouring water wells are not adversely impacted. Finally, the flood control ditches located within the project area will be diverted and re-established to maintain their effectiveness. AMI is consulting with water specialist to develop our *Water Act* application, and taking all possible measures to safeguard the water.

DID YOU KNOW: once a *Water Act* application is filed, a notice is posted on the Alberta Environment & Park's Digital Regulatory Assurance System (DRAS).

Traffic

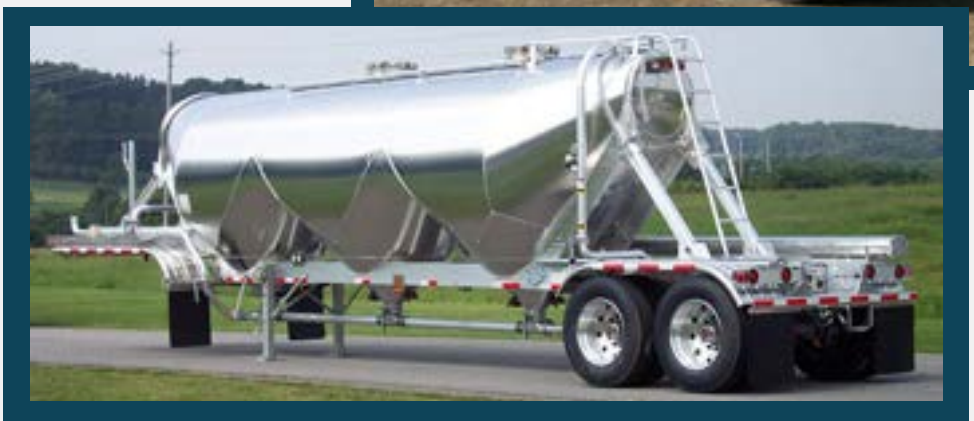
Q10. *What standards are required for trucks to haul sand?*

A10. All commercial trucking of silica sand is regulated by the Alberta Department of Transportation and must meet stringent guidelines for both on-highway and off-highway regulations for non-hazardous material. In addition, AMI has its own prequalification requirements that must be met prior to engaging with any transportation provider (COR, WCB, Insurance, CVIP's, HSE requirements, Training, etc.). Dust control systems extract fugitive dust during the loading of trucks from the transload storage silos. Trucks and trailers will be enclosed during transport of sand to their final destination.

Q11. *How will you monitor traffic and noise related to this facility?*

A11(a). AMI has initiated a Traffic Impact Assessment for the proposed project location. We will use this information to determine whether road upgrades are required to maintain safe driving conditions due to the increased traffic from the construction and ongoing Prosvita Sand operations.

A11(b). A Noise Study to determine baseline and anticipated acoustical impacts will be initiated by AMI. This assessment will evaluate the sound emissions of the project on surrounding noise-sensitive receptors and aims to address concerns regarding the low-impact extraction and processing operations on surrounding lands, the communities, the natural environment and wildlife populations. AMI is committed to periodic monitoring of noise throughout the lifecycle of the Prosvita Project.



Silica Sand Trailer Options

Future Development & Long Term Vision

Q12. *Are there plans to develop additional land or current land holdings in the White Rabbit area? Will the White Rabbit land options be released in 2022/2023?*

A12. AMI initially reserved land holdings in the White Rabbit area, however the development focus has shifted to the White Tail deposit which borders industrial lands and is the basis for AMI's regulatory application submitted to Alberta Environment & Parks. The White Tail deposit has at least 15 years of resource and this development location offers improved access to infrastructure, logistical advantage, industrial synergies and economic efficiency versus the White Rabbit area. AMI recognizes it's faced with a decision on whether to hold these land options indefinitely without any development plans (while incurring annual costs) or release them. The White Rabbit land options have natural expiry dates and this decision making will occur on those dates.

Q13. *What does AMI see as the vision for the Prosvita Project?*

A13. AMI views the Prosvita Project as a long-term investment providing Canadian markets with high-quality sand, as well as a long-term investment into the community of Athabasca. As a publicly traded Canadian company in the mining industry we are accountable, not only to our shareholders, but also to the people and communities that we work in. AMI has a proven history of mining efficiently and responsibly. We will continue to maintain our high standards throughout the execution and operations of the Prosvita Project. AMI envisions the Prosvita Project to be well-positioned to provide positive economic and job opportunities within the surrounding regions and to become an integral part of supporting and giving back to the community for years to come.

For More Information Contact

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Prosvita Sand Project Facebook Page