



US\$350MM Unit Offering – Investment Allocation

As previously disclosed, on October 22, 2021 we closed a private placement offering (the “Offering”) of 350,000 Units. Each unit consisted of US\$1,000 principal amount of senior secured second lien notes due 2026 (each a “Note”), and one five-year warrant (each “Warrant”) to purchase 227 common shares (“Warrant Shares”) at an exercise price of C\$0.9441 per Warrant Share (representing the 5-day volume weighted average trading price of the Company’s common shares on the Toronto Stock Exchange). The offering of each Unit should constitute an “investment unit” for U.S. federal income tax purposes, consisting of a Note and a Warrant. The “issue price” of a Unit is the first price at which a substantial amount of the Units is sold for cash, excluding sales to bond houses, brokers or similar persons acting as underwriters, placement agents or wholesalers. The Internal Revenue Service (the “IRS”) Treasury Regulations applicable to investment units require the “issue price” of a Unit to be allocated between the Note and Warrant based on the relative fair market values of each element of the Unit on the issue date. In the Confidential Offering Memorandum for the Offering we agreed to make a determination of the relative values of the Notes and the Warrants and post such information on our website.

This allocation will establish a U.S. Holder’s initial tax basis in the Note and Warrant. Our allocation is binding on U.S. Holders unless a U.S. Holder explicitly discloses in a statement attached to such U.S. Holder’s timely filed U.S. federal income tax return for the tax year that includes the acquisition date of the Unit that the U.S. Holder’s allocation of the issue price between the Note and the Warrant is different than our allocation. Our allocation is not, however, binding on the IRS. If our allocation were successfully challenged by the IRS, the issue price, original issue discount on the Note and gain or loss on the sale or disposition of a Note, Warrant or Warrant Shares received upon exercise of a Warrant would be different from that resulting under the allocation we determined.

For this purpose, we have allocated the US\$970 issue price of each Unit to be US\$890.86 for the Note and US\$79.14 for the Warrant.

For more information, please contact:

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