

QTZ Announces Sample Delivery and Financing

Completes closing of property acquisition announced on November 10, 2022

Lachute, Québec--(Newsfile Corp. - December 13, 2022) - **Québec Silica Resources Corp. (CSE: QTZ) ("QTZ" or the "Company")** is pleased to announce that a series of silica samples have been delivered to HPQ Silicon Inc.'s ("**HPQ**") laboratory in Montreal, Quebec. HPQ received a variety of different samples of different specifications for testing with their Purevap technology. The goal of these samples is to determine which products produced from the Company's pilot plant will suit HPQ's needs. HPQ's feedback will assist QTZ in the refinement and optimization of the Company's silica processing equipment.

All geological samples collected from the summer-fall Charlevoix Silica Project channel sampling program have been delivered to the INRS lab near Quebec City for analysis. The channel sampling program was performed on the "Main Zone" as shown on Figure 1 below:



FIGURE 1: MAIN ZONE QUARTZITE OUTCROP

To view an enhanced version of Figure 1, please visit:

https://images.newsfilecorp.com/files/7968/147782_099b6342e4ad0b93_002full.jpg

Additionally, the Company announces that it will be opening a financing to fund 2023 work programs which is intended to include exploration and development work on its silica properties, as well as hydrogen and helium exploration and scientific studies.

Details of financing

The Company is pleased to announce that it is arranging a private placement of: (i) up to \$575,000 of Common Share Units (each, a "**Unit**"), at a price of \$0.05 per Unit; and (ii) up to \$1,000,000 of National flow-through units (each, a "**FT Unit**"), at a price of \$0.05 FT Unit, and up to \$1,000,000 of Québec flow-through units (each, a "**Québec FT Unit**"), at a price of \$0.05 per Québec FT Unit, for maximum aggregate gross proceeds of up to \$2,575,000 (the "**Offering**").

The Offering is being led by EMD Financial Inc. Each Unit shall be comprised of one common share ("**Common Share**") in the capital of the Company and one-half (1/2) of a Common Share purchase warrant ("**Warrant**") of the Company. Each whole Warrant shall entitle the holder thereof to acquire one additional Common Share at a price of \$0.075 for a period of two (2) years from the closing date of the Offering. Each of the FT Units and Québec FT Units shall be comprised of one Common Share and one-half (1/2) of a Warrant. Each whole Warrant comprised in the FT Units and Québec FT Units shall entitle the holder thereof to acquire one additional Common Share at a price of \$0.075 for a period of two (2) years from the closing date of the Offering. The Common Shares comprising each of the FT Units and Québec FT Units will qualify as "flow-through shares" within the meaning of subsection 66(15) of the *Income Tax Act* (Canada). The Common Shares underlying the Warrants will not be "flow-through shares".

The net proceeds from the issuance of the Units will be used for general working capital purposes. The gross proceeds from the issuance of the FT Units and Québec FT Units will be used for Canadian exploration expenses and will qualify as "flow-through mining expenditures", as defined in subsection 127(9) of the *Income Tax Act* (Canada) and under section 359.1 of the *Taxation Act* (Québec), which will be incurred on or before December 31, 2023 and renounced to the subscribers with an effective date no later than December 31, 2022 in an aggregate amount not less than the gross proceeds raised from the issue of the FT Units and Québec FT Units, as the case may be. In addition, with respect to Québec resident subscribers of Québec FT Units and who are eligible individuals under the *Taxation Act* (Québec), the Canadian exploration expenses will also qualify for inclusion in the "exploration base relating to certain Québec exploration expenses" within the meaning of section 726.4.10 of the *Taxation Act* (Québec) and for inclusion in the "exploration base relating to certain Québec surface mining expenses or oil and gas exploration expenses" within the meaning of section 726.4.17.2 of the *Taxation Act* (Québec).

In connection with the Offering, the Company will pay finder's fees and issue finder shares and finder warrants to EMD Financial Inc. well as any other registrants participating in the Offering, consisting of: (i) cash finder's fees of up to 10 % of the gross proceeds of the Offering; (ii) finder shares in an amount equal to up to 5 % of the number of Units, FT Units and Québec FT Units issued pursuant to the Offering; and (iii) finder warrants in an amount equal to up to 5% of the number of Units, FT Units and Québec FT Units issued pursuant to the Offering, exercisable at a price of \$0.075 per common share for a period of two years following the closing date of the Offering.

The Units offered as a part of the Offering shall be offered (i) pursuant to applicable prospectus exemptions in accordance with National Instrument 45-106 - *Prospectus Exemptions* or in Quebec pursuant to *Regulation 45-106 respecting Prospectus Exemptions* ("**NI 45-106**"), and (ii) to purchasers resident in all provinces of Canada, except Quebec, pursuant to the listed issuer financing exemption under Part 5A of NI 45-106. The Company may issue a minimum of 4,000,000 Units and a maximum of 11,500,000 Units for minimum gross proceeds of \$200,000 and maximum gross proceeds of \$575,000, respectively, under the listed issuer financing exemption. Units offered under the listed issuer financing exemption will not be subject to resale restrictions pursuant to applicable Canadian securities laws. All other securities issued pursuant to the Offering will be subject to the statutory hold period of four months and one day from the date of issuance in accordance with applicable Canadian securities laws.

There is an offering document related to the Offering that can be accessed under the company's profile on SEDAR and the company's website at www.quebecsilica.com. Prospective investors should read this offering document before making an investment decision.

The Offering is anticipated to close on or about December 23, 2022, or such later date as the company may determine. The closing is subject to certain conditions including, but not limited to, the receipt of all necessary regulatory and other approvals, including the approval of the Canadian Securities Exchange (CSE), and the closing of a minimum of 4,000,000 Units under the listed issuer financing exemption.

Corporate Update - Confirmation of Closing of Property Acquisition

Further to the Company's press release dated November 10, 2022, QTZ is pleased to announce that it has completed the issuance of the 5,000,000 common shares, at a deemed issue price of \$0.07 per share, to the vendor pursuant to the property acquisition agreement. The properties consist of a total of 248 mineral claims totaling 14,257 hectares. The 5,000,000 common shares are subject to a hold period expiring on April 13, 2023. Pursuant to the closing, the Company also entered into a royalty agreement with respect to the 1% royalty on gross revenues from the sale of pure hydrogen arising from the lands underlying the properties acquired by QTZ.

About Québec Silica Resources Corp.

Québec Silica Resources Corp. is a mineral exploration and development company focused on exploring, developing, and acquiring industrial mineral resources in Québec, Canada. The Company is currently focused on its wholly-owned Charlevoix Silica Project near St. Urbain, Québec, Canada, and has a portfolio of multiple silica properties, and hydrogen and helium properties in Québec.

Additional information on Québec Silica is available at www.QuebecSilica.com.

Raymond Wladichuk, P. Geo. (OGQ permit no. 02287), is a qualified person as defined by NI 43-101, and takes responsibility for the technical information contained in this news release.

On Behalf of the Board of Directors,

QUÉBEC SILICA RESOURCES CORP.

"Raymond Wladichuk, P. Geo."
Chief Executive Officer

For further information, please contact:

Elyssia Patterson - CFO

Tel: +1 (833) 4 SILICA
(474-5422)

Email: info@Quebecsilica.com

Neither the Canadian Securities Exchange nor its Regulation Services Provider (as that term is defined in the CSE policies) accepts responsibility for the adequacy or accuracy of this news release and has neither approved nor disapproved the contents of this news release.

Forward-Looking Statements

This news release contains statements that constitute "forward-looking statements". Such forward-looking statements involve known and unknown risks, uncertainties and other factors that may cause Quebec Silica's actual results, performance or achievements, or developments in the industry to differ materially from the anticipated results, performance or achievements expressed or implied by such forward-looking statements. Forward-looking statements are statements that are not historical facts and are generally, but not always, identified by the words "expects," "plans," "anticipates," "believes," "intends," "estimates," "projects," "potential" and similar expressions, or that events or conditions "will," "would," "may," "could" or "should" occur.

Although Quebec Silica believes the forward-looking information contained in this news release is reasonable based on information available on the date hereof, by their nature, forward-looking statements involve assumptions, known and unknown risks, uncertainties and other factors which may cause our actual results, performance or achievements, or other future events, to be materially different from any future results, performance or achievements expressed or implied by such forward-looking statements.

Examples of such assumptions, risks and uncertainties include, without limitation, assumptions, risks and uncertainties associated with general economic conditions; the Covid-19 pandemic; adverse industry events; future legislative and regulatory developments in the mining sector; the Company's ability to access sufficient capital from internal and external sources, and/or inability to access sufficient capital on favorable terms; mining industry and markets in Canada and generally; the ability of Quebec Silica to implement its business strategies; competition; and other assumptions, risks and uncertainties.

The forward-looking information contained in this news release represents the expectations of the Company as of the date of this news release and, accordingly, is subject to change after such date. Readers should not place undue importance on forward-looking information and should not rely upon this information as of any other date. While the Company may elect to, it does not undertake to update this information at any particular time except as required in accordance with applicable laws.

To view the source version of this press release, please visit <https://www.newsfilecorp.com/release/147782>