Paramount Resources Ltd.

Paramount Resources Ltd. Acquires Additional Securities of Canadian Premium Sand Inc.

This press release is being issued pursuant to section 5.2 of National Instrument 62-104 -Take-Over Bids and Issuer Bids.

CALGARY, AB, Aug. 31, 2022 /CNW/ - Paramount Resources Ltd. ("Paramount") has acquired 5,593,785 units ("Units") of Canadian Premium Sand Inc. ("CPS") at a price of $0.30 per Unit for aggregate consideration of $1,678,135.50. Each Unit was comprised of one common share of CPS ("Common Share") and one warrant ("Warrant"). Each Warrant is exercisable to acquire one Common Share an exercise price of $0.40 on or prior to August 31, 2024. The acquisition was made as part of a private placement of an aggregate of 32,100,000 Units completed by CPS on August 31, 2022 (the "Private Placement").

The Common Shares acquired by Paramount pursuant to the Private Placement represent 7.20% of the 77,715,660 Common Shares issued and outstanding following the Private Placement. If Paramount were to exercise the Warrants acquired by it pursuant to the Private Placement, the Common Shares acquired upon such exercise would represent 6.71% of the Common Shares issued and outstanding following the Private Placement and after giving effect to the exercise of the Warrants.

Immediately before the Private Placement, Paramount had direct ownership and control of 6,759,394 Common Shares and $900,000 in principal amount of convertible debentures of CPS maturing on February 26, 2024 that may be converted at the option of the holder into Common Shares at any time prior to maturity at a conversion price of $0.75 per Common Share (the "Convertible Debentures"). The Common Shares held by Paramount prior to the Private Placement represented approximately 14.82% of the 45,615,660 Common Shares then outstanding. If Paramount had converted all of the Convertible Debentures held by it prior to the Private Placement, it would have had direct ownership and control of 7,959,394 Common Shares, representing approximately 17.00% of the then outstanding Common Shares after giving effect to such conversion.

After the Private Placement, Paramount has direct ownership and control of 12,353,179 Common Shares, $900,000 in principal amount of Convertible Debentures and 5,593,785 Warrants. The Common Shares held by Paramount after the Private Placement represent approximately 15.90% of the 77,715,660 outstanding Common Shares. If Paramount were to convert or exercise all of the Convertible Debentures and Warrants held by it, it would have direct ownership and control of 19,146,964 Common Shares, representing approximately 22.66% of the outstanding Common Shares after giving effect to such conversion and exercise.

The Units were acquired for investment purposes. Depending on the evolution of CPS's business, financial condition, the market, if any, for CPS's securities, general economic conditions and other factors, Paramount may acquire additional CPS securities, or sell CPS securities it owns, controls or directs, in the open market, by private agreement or otherwise, subject to market conditions and other relevant factors. Paramount does not currently have any plans or intentions that relate to any of the matters, or would result in, any of the events, listed above. Depending on market conditions, general economic conditions, CPS's business and financial condition and other factors, Paramount may develop such plans or intentions in the future.

For inquiries or a copy of the related early warning report in respect of CPS, a copy of which is filed on www.sedar.com, please contact:

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https://paramount.mediaroom.com/2022-08-31-Paramount-Resources-Ltd-Acquires-Additional-Securities-of-Canadian-Premium-Sand-Inc