



## **Athabasca Minerals Inc. Announces Year End 2013 Results**

**March 31, 2014 EDMONTON, ALBERTA.** Athabasca Minerals Inc. (“Athabasca” or the “Corporation”) (TSX Venture: ABM) is pleased to announce its financial results for the fourth quarter and year ended November 30, 2013. The Corporation’s audited financial statements and management’s discussion and analysis (“MD&A”) for the year ended November 30, 2013 are available on SEDAR at [www.sedar.com](http://www.sedar.com) and on the Athabasca Minerals website at [www.athabascaminerals.com](http://www.athabascaminerals.com).

### **Q4 2013 Highlights**

- During Q4 2013, Athabasca generated net aggregate sales of \$3,698,041 from corporate-owned aggregate operations versus \$989,513 during Q4 2012, an increase of \$2,708,528 or 273.7%.
- The Corporation delivered 136,993 tonnes from corporate-owned aggregate operations in Q4 2013 versus the delivery of 63,945 tonnes during Q4 2012, an increase of 73,048 tonnes or 114.2%.
- Total aggregate production at the Kearl aggregate operation was significantly increased, with Q4 gravel production of 307,000 tonnes accounting for 62% of total gravel produced during fiscal 2013. An additional 123,000 tonnes of processed sand was also produced during Q4.
- During Q4, substantial improvement in cost efficiency was realized with Kearl pit aggregate processing, through the increase in total production with a decrease in the cost per tonne of aggregate produced.

### **Fiscal 2013 Year End Highlights**

- Athabasca generated record total revenue of \$25,118,000 for the fiscal year ended November 30, 2013, an increase of \$10,395,325 or 70.6% over the prior year.
- During the fiscal year ended November 30, 2013, the Corporation generated net aggregate sales of \$14,698,719 from corporate-owned aggregate operations versus \$3,040,328 during fiscal 2012, an increase of \$11,658,391 or 383.5%.
- By fiscal 2013 year-end, Athabasca had successfully processed and stockpiled finished goods inventory with a cost of nearly \$7.5 million. This crushed gravel and sand inventory is available for sale to meet regional aggregate demand.
- The Corporation continued to significantly benefit from cash flow collected from its land use agreement for work camp purposes, with more than \$525,000 cash received during fiscal 2013.
- The Corporation was strengthened through the addition of previously announced appointments to its board of directors, its advisors, and senior management
- Communication with Alberta Environment and Sustainable Resources Development resulting in notification during February 2014 that the department has completed its review of the Firebag Project, enabling the Corporation to next provide a Conservation and Reclamation Business Plan to the department for their review before final approval.

President and CEO Dom Kriangkum states; “We are pleased with the Corporation’s progress in supplying gravel, sand and industrial minerals in Alberta. We continue to grow and improve our efficiency at

aggregate production, while identifying new sources of industrial minerals, including aggregates, required for oil sands projects, infrastructure and oil and gas exploration. In particular, we are working hard to transition from aggregate pit management toward further developing and increasing aggregate production from Athabasca-owned pits where the opportunity for greater margins are higher. With our growth from less than 20 employees to a current staff of greater than 60 members, we look forward to continuing to increase our productivity and to service regional product requirements.”

### Operations Update

Susan Lake aggregate management operations are ongoing, while at a slower pace than normal, as light aggregate demand within the region has been experienced thus far in 2014. From discussions with its major customers, and from other external sources, management anticipates a near term ramp-up in aggregate demand, followed by strong demand through the remainder of the fiscal year.

Activity at our corporate-owned pits is ongoing with the planned temporary suspension of crushing operations at Kearl pit, which began in mid-December 2013, is expected to continue through approximately May 2014, at which time spring conditions and dewatering at the pit will be addressed. Thereafter, Athabasca intends to process aggregate at its Kearl pit during the period June through mid-December 2014.

Management intends to have completed all crushing operations at the Cowpar pit, a pit that was made available through a joint venture announced March 4, 2014, before removing its crushing spread during March 2014. Management then intends to haul its crushing spread to the Conklin stockpile site for maintenance and storage before it is transported to the Kearl pit for set-up in late May.

Activity from our Logan pit is now complete for the winter season with hauling of aggregate expected to resume in late fall 2014, at such time that winter roads can be accessed and product is deliverable.

### Financial Highlights

	<b>Q4 and Year Ended November 30</b>			
	<u>Q4 2013</u>	<u>Q4 2012</u>	<u>YE Nov 30, 2013</u>	<u>YE Nov 30, 2012</u>
<b>Aggregate management fees</b>	<b>\$2,882,736</b>	<b>\$3,311,716</b>	<b>\$10,419,281</b>	<b>\$11,682,347</b>
<b>Net aggregate sales</b>	<b>\$3,698,041</b>	<b>\$989,513</b>	<b>\$14,698,719</b>	<b>\$3,040,328</b>
<b>Total revenue</b>	<b>\$6,580,777</b>	<b>\$4,301,229</b>	<b>\$25,118,000</b>	<b>\$14,722,675</b>
<b>Aggregate operating expenses</b>	<b>\$3,774,204</b>	<b>\$1,429,184</b>	<b>\$16,606,177</b>	<b>4,915,191</b>
<b>Gross profit</b>	<b>\$2,806,573</b>	<b>\$2,872,045</b>	<b>\$8,511,823</b>	<b>\$9,807,484</b>
<b>Total aggregate tonnes sold</b>	<b>2,704,301</b>	<b>3,124,134</b>	<b>9,911,381</b>	<b>10,936,767</b>
<b>Net (loss) income from land use agreement</b>	<b>(\$143,127)</b>	<b>\$467,119</b>	<b>(\$406,646)</b>	<b>\$1,018,019</b>
<b>Net income from aggregate operations</b>	<b>\$532,442</b>	<b>\$693,482</b>	<b>\$2,328,286</b>	<b>\$3,692,390</b>
<b>Net income and comprehensive income</b>	<b>\$389,315</b>	<b>\$1,160,601</b>	<b>\$1,921,640</b>	<b>\$4,710,409</b>
<b>Basic income per common share</b>	<b>\$0.014</b>	<b>\$0.042</b>	<b>\$0.068</b>	<b>\$0.171</b>
<b>Basic cash flow per share</b>	<b>\$0.064</b>	<b>\$0.070</b>	<b>\$0.216</b>	<b>\$0.231</b>

Net income during fiscal 2013 decreased to \$1,921,640 from \$4,710,409 in the prior year, a reduction of \$2,788,769. There were two primary contributing factors: 1) a \$1,263,066 reduction in aggregate management fees resulting from a 1,263,031 (11.9%) reduction in aggregate tonnes sold from Susan Lake; 2) a \$1,424,665 reduction in net income from the land use agreement compared to 2012, resulting from both permanent and expected temporary lodge closures at the Poplar Creek work camp. While net aggregate sales from corporate-owned pits rose by \$11,658,391 during fiscal 2013, related aggregate operating expenses increased by approximately the same amount. During fiscal 2013 both the Kearl and Logan corporate-owned pits were brought into their first full year of operation. Management has identified opportunities for improved cost savings that are expected to be realized over the course of their second full year of operations during fiscal 2014.

## **Outlook**

The Corporation determines demand for the year by discussing expected aggregate requirements with its major customers. Regional demand for aggregate slowed near the end of 2013, and sales have remained lighter than usual thus far in fiscal 2014, due to light customer demand being experienced within the region. Through discussions with some major customers regarding their full year anticipated aggregate requirements, despite light sales volume in the early months of fiscal 2014, aggregate demand is expected to ramp up so that full year results will normalize. A recent industry survey conducted with its member companies, reports that the 2014 oilsands capital budget is forecast to be \$25 billion, a near all-time high.

Athabasca's core business relies on aggregate demand from Alberta's oil, natural gas and mining industries in addition to municipal and road construction projects. Historically Athabasca has stronger third and fourth quarters following typically slower first and second quarters due to seasonal considerations such as winter conditions and spring break-up conditions.

## **AGGREGATE OPERATIONS:**

- Corporate-Owned Pits

Currently, processed and stockpiled inventory includes approximately 600,000 tonnes of gravel and 400,000 tonnes of sand located across Athabasca's corporate pits and stockpile sites. In conjunction with its transition to corporate-owned aggregate operations, by fiscal 2013 year-end, Athabasca had successfully processed and stockpiled nearly \$7.5 million of crushed gravel and sand inventory. These aggregate finished products are available for sale without further production cost to be incurred. It will be a management priority to turn over its existing inventory during fiscal 2014, along with the efficient production of further processed aggregates from its corporate-owned pits. In order to assist our sales efforts we are initiating a new sales division over the summer with further announcements to follow.

Near the end of Q4 2013, Athabasca announced the resumption of gravel delivery from its Logan pit to a regional customer. Gravel hauling continued for a period of time until the customer suspended the operation when they put their project on hold. The undelivered quantity is fully processed and is available to be hauled pending contract resumption from the customer. Meanwhile, this processed gravel is also being marketed for sale to other regional customers. A portion of the gravel has been hauled from the Logan pit to Athabasca's Conklin stockpile site in preparation for year round sales and

delivery. Management is focused on marketing this undelivered inventory to serve regional demand. Since the haul road from the Logan pit is accessible only during the winter months, the Corporation is considering improving the existing road to be an all season road, should demand justify the activity.

Through a joint venture agreement with a First Nation's company, Athabasca opened up its new "Cowpar" gravel pit during Q1 2014. Sales to regional customers were billed during Q1 and Q2 and the Corporation is currently hauling the remaining processed aggregate to a stockpile site near a major highway north of Conklin, Alberta for year round sales. The Cowpar pit has been depleted of gravel, and pit reclamation is in progress at this time. Under the same joint venture agreement, the Corporation is awaiting approval from the Alberta Government to open a second new pit later this year.

Significant quantities of processed sand and gravel inventory are stockpiled at the Kearl pit. The Corporation anticipates sales and delivery of sand and gravel from these stockpiles to a major customer beginning in Q2 2014 and throughout the remainder of the year. The Corporation's crushing spread is to be mobilized to the Kearl pit, with scheduled production at that location to begin in Q3 2014, for additional sand and gravel processing for regional customers.

During fiscal 2014 Athabasca seeks to improve its corporate pit cost efficiencies, through its improved Kearl pit dewatering method, which should improve the overall rate of aggregate processing. Other primary targeted cost reductions are with equipment repair and maintenance costs, work crew accommodation costs, and reduced hauling rates for aggregates delivery.

- Susan Lake Public Pit

Q1 2014 was subject to frozen conditions and periods of extreme cold and snow resulting in very little construction activity requiring sand and gravel. Despite the soft first quarter in 2014, the Corporation anticipates that the activities in the Susan Lake gravel pit will ramp up during Q2 and become increasingly active during the third and fourth quarters. The Corporation has recently received sand and gravel orders from existing users for significant quantities to be fulfilled during fiscal 2014. Management also received substantial gravel requests from new customers who are bidding on works for a new oil sands project at the north end of the Susan Lake pit.

#### **INDUSTRIAL METALLIC MINERALS PROJECTS:**

- Firebag Project (Silica Sand)

The Firebag silica sand was tested and found to be suitable as frac sand for the oil and gas industry. In February 2014 the Corporation received notification from Alberta Environment and Sustainable Resources Development ("ESRD") that the department has completed its review of Athabasca's silica sand surface material lease application at the Firebag Project. The notice confirms that ESRD has, in principle, completed its review of the lease boundary that is approximately 80 acres in size, and forms a part of the larger Firebag Project. Athabasca previously submitted a technical memo documenting development and reclamation and will now provide a Conservation and Reclamation Business Plan ("CRBP") to ESRD for their review before receiving final approval. The CRBP is a normal course requirement of the approval process.

Next steps include the completion and submission of the Firebag CRBP in the second quarter of 2014 and progress towards the completion of a National Instrument 43-101 resource report in respect of the Firebag Project.

The Corporation has also been in discussion with a major railway company for developing a future frac sand trans-loading facility in Fort McMurray, within a 27 acre strategically situated miscellaneous lease that Athabasca has applied for. Management is currently preparing preliminary cost estimates and examining alternatives for processing and trans-loading of products.

- Richardson Project (Granite and Dolomite)

To locate a suitable long term aggregates source for the oil sands industry, the Corporation has identified an area 70 kms north of the Susan Lake Gravel pit that contains suitable bedrock for a quarry operation. In March 2014 the Corporation announced the completion of its Richardson Project winter drilling program. A total of eight vertical core holes were drilled for a total of 843 metres over a 20 square km area. All holes successfully cored the dolomite and all but one intersected the granite basement rocks. All holes were drilled to a maximum depth of 144 metres. The dolomite and granite were penetrated at similar depth levels attesting to the uniformity of the units across the Richardson property area that was tested by drilling. The location is strategically located to serve continuing oil sands and infrastructure development within the Fort McMurray region once the Susan Lake pit becomes depleted. We are working toward getting the resource developed so that an alternative source of aggregate will be available to supply regional needs at that time.

Next steps include the detailed core logging and sampling which will commence shortly at Athabasca's Edmonton facility, to be followed up by independent analytical test work. These 2014 drill holes coupled with additional drilling from the same area in 2013 will provide the information necessary to complete a National Instrument 43-101 resource estimate for the Richardson granite and dolomite in fiscal 2014. Following completion of the 43-101 the Corporation intends to apply for a mineral lease on a portion of the Richardson Project currently held by Athabasca under mineral permits; and subsequently, the submission of a development application to operate a hard rock quarry.

The complete financial statements for Athabasca for the year-ended November 30, 2013 and Management's Discussion & Analysis for the same period are available for viewing on the Corporation's website at [www.athabascaminerals.com](http://www.athabascaminerals.com) and on SEDAR at [www.sedar.com](http://www.sedar.com).

### **About Athabasca Minerals**

The Corporation is a resource company involved in the management, exploration and development of aggregate projects. These activities include contracts works, aggregate pit management, aggregate production and sales from corporate-owned pits, new aggregate development and acquisitions of sand and gravel operations. The Corporation also has industrial mineral land holdings for the purpose of locating and developing sources of industrial minerals and aggregates essential to high growth economic development.

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